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INDEX AND SUMMARY OF H. R. 9811

LEGISLATIVE HISTORY

Feb. 4, 1965	Senate received President's farm program. Print of document.
	Public Law 89-321
April 5, 1965	House received President's program farm bill. H. Doc. 137. Print of document.
	Copy of proposed bill.
	Summary of principal provisions of proposed bill.
	Section by section explanation of proposed bill.
	Sen. Ellender introduced and discussed H. R. 9811 which was referred to Senate Agriculture and Forestry Committee. Print of bill and remarks of Sen. Ellender.
	Rep. Cooley introduced and discussed H. R. 9811 which was referred to House Agriculture Com- mittee. Print of bill and remarks of Rep. Cooley.

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		House Agriculture Committee committee report on "Summary and Section-by-Section Explanation of H. R. 7097."
June 12, 1965	House committee approved final printed title of H. R. 7097.	
June 24, 1965	House committee approved amended title of title of H. R. 7097.	
June 25, 1965	House committee approved short title of H. R. 7097.	
June 26, 1965	Sen. Tamm introduced his testimony regarding rice provisions of H. R. 7097.	
July 9, 1965	Sen. Nelson submitted proposed amendments to H. R. 7097.	
July 13, 1965	House committee ordered H. R. 7097 to be printed in lieu of H. R. 7097.	

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INDEX AND SUMMARY OF H. R. 9811

Feb.	4, 1965	Both Houses received President's farm message. H. Doc. 73. Print of document.
April	5, 1965	Both Houses received President's proposed farm bill. H. Doc. 137. Print of document.
Aug.	10, 1965	Copy of proposed bill.
Aug.	11, 1965	Summary of principal provisions of proposed bill.
Aug.	27, 1965	Section by section explanation of proposed bill.
Aug.	18, 1965	Sen. Ellender introduced and discussed S. 1702 which was referred to Senate Agriculture and Forestry Committee. Print of bill and remarks of Sen. Ellender.
Aug.	20, 1965	Rep. Cooley introduced and discussed H. R. 7097 which was referred to House Agriculture Committee. Print of bill and remarks of Rep. Cooley.
Aug.	25, 1965	House Agriculture Committee committee print, "Summary and Section-by-Section Analysis of H. R. 7097."
June	22, 1965	House committee approved feed grains title of H. R. 7097.
June	24, 1965	House committee approved cropland adjustment title of H. R. 7097.
June	25, 1965	House committee approved wheat title of H. R. 7097.
June	28, 1965	Sen. Kuchel inserted his testimony opposing rice provisions of S. 1702.
July	9, 1965	Sen. Nelson submitted proposed amendments to S. 1702.
July	13, 1965	House committee ordered clean bill introduced in lieu of H. R. 7097.
Sept.	12, 1965	Rep. Cooley introduced H. R. 9811 which was referred to House Agriculture Committee. Print of bill as introduced.

INDEX AND SUMMARY OF H. R. 9811, cont'd

July	15, 1965	House committee voted to report H. R. 9811.
July	20, 1965	House committee reported H. R. 9811 with amendment. H. Report No. 631. Print of bill and report.
Aug.	10, 1965	House Rules Committee granted an open rule on H. R. 9811.
Aug.	11, 1965	House Rules Committee reported resolution for the consideration of H. R. 9811. H. Res. 512, H. Rept. 777. Print of resolution and report.
Aug.	17, 1965	House began debate on H.R. 9811.
Aug.	18, 1965	House continued debate on H. R. 9811.
Aug.	19, 1965	House passed H. R. 9811 with amendments.
Aug.	20, 1965	H. R. 9811 was referred to Senate Agriculture and Forestry Committee. Print of bill as referred.
Aug.	25, 1965	Sen. Carlson submitted proposed amendment on CCC wheat sales.
Aug.	26, 1965	Sen. Case submitted proposed amendment to authorize marketing order for eggs.
Sept.	2, 1965	Senate committee ordered H. R. 9811 reported with amendment.
Sept.	7, 1965	Senate committee reported H. R. 9811 with amendment. S. Report No. 687. Print of bill and report.
		Sen. Kuchel criticized cotton provisions of Senate committee bill.
Sept.	8, 1965	Several Senators submitted amendments to H. R. 9811.
Sept.	9, 1965	Senate began debate on H. R. 9811.
		Summary of H. R. 9811 as reported by Senate committee.
Sept.	10, 1965	Senate continued debate on H. R. 9811.
Sept.	13, 1965	Senate continued debate on H. R. 9811.

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THE INDEX AND SUMMARY OF H. R. 9811, cont'd

INTRODUCTION

Sept. 14, 1965 Senate passed H. R. 9811 with amendments.
Senate conferees were appointed.
Sept. 20, 1965 House conferees were appointed.
Sept. 24, 1965 Conferees continued in executive session.
Sept. 27, 1965 Conferees continued in executive session.
Oct. 6, 1965 House received conference report on H. R. 9811. H. Report No. 1123. Print of report.
Oct. 8, 1965 House agreed to conference report.
Oct. 12, 1965 Senate agreed to conference report.
Nov. 3, 1965 Approved: Public Law 89-321.

Bound Separately **Hearings:** H. Agriculture Committee:
H. R. 8149, "Cotton", Serial L;
H. R. 7097, "Wheat & Feed Grains", Serial J;
H. R. 7097, "Rice", Serial I;
Misc. Hg: General Farm Legislation.

Senate Agriculture and Forestry:
S. 399, et al, Parts 1 and 2.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service

October 1965

THE FOOD AND AGRICULTURE ACT OF 1965

INTRODUCTION

The Food and Agriculture Act of 1965 takes direct aim on the most pressing surplus commodities. It seeks to improve the commodity programs by drawing on past experience.

Commodity programs play a key role in protecting farm prices and income from the depressing effects of surplus production. These programs have contributed substantially to the improvement in the level of farm income in recent years. This year realized net farm income may reach \$13.5 billion, the highest in more than a decade. Despite this improvement, agriculture is not sharing fully in the Nation's high level of prosperity. Yet, without these commodity programs, the consensus of several studies is a 50 percent or more reduction in farm income.

The new law recognizes the continuing need to live with and manage abundance. Agricultural abundance has meant reasonable food prices with an ever-rising standard of living for consumers while threatening the economic existence of farmers. Pushed upward by steadily increasing yields per acre, U. S. agriculture's output level for several crops, particularly those in longtime surplus difficulties, has a potential far in excess of expanding needs.

The commodity programs for cotton, wheat and feed grains, embraced in the Act, seek to strike a balance between production potential and ample supplies and between adequate farm income levels and reasonable government expenditures. It would foster ample supplies to fill adequately consumer's needs and to meet our foreign obligations. It authorizes acreage diversion programs to balance production with needs for all three crops with payments to maintain income from the retired acres. The diverted acres provision would also be extended to rice, if it were necessary to reduce acreage below present levels. The cropland adjustment title is a valuable adjunct to these commodity programs by encouraging longer periods of retirement at less government cost annually. This program also offers the basis for converting cropland into other uses needed by expanding urban populations. This would be accomplished by encouraging conservation uses aimed at beautifying the countryside and at preventing water and air pollution and by shifting land to recreational uses such as hunting, fishing, camping and hiking.

The commodity programs will continue to work toward reduction of surpluses to pare government outlay. The pricing provisions would encourage maximum domestic use of all three. At the same time, the market price support would be around world levels. This would continue the competitive position of feed grains in world markets. It would permit the continued export of wheat with little or no government subsidy assistance. For cotton, U.S. production would be directly competitive with foreign output and should restore lost export markets.

The dairy title will enable producers in federal milk marketing order areas to adjust their production to that amount needed for use as fluid milk and receive the higher fluid milk price. It would lessen the need for them to increase their production in order to keep income up as under the present system of blending the higher price for milk for fluid use with the lower price for milk for manufacturing and other uses. Any drop in production resulting from this new provision would be reflected in reduced government costs.

The wool provisions will be continued much as in the past, except for an increase in the minimum support price for wool in order to help sheep producers' incomes.

The rice provisions, in addition to authorizing an acreage diversion program, would also keep price-support loan differentials among the different varieties of rice at the current spread. The margin of support between the short and long grain varieties has been widening rapidly in recent years.

The Act will also provide (1) for extending the authority for producer certification of compliance with acreage provisions of various programs, (2) continuing the lease of specified tobacco acreage allotments, (3) purchases of dairy products from the market to meet program needs, (4) continuing the exemption of boiled peanuts from marketing quotas and acreage allotments, (5) a study of farm income levels in relation to parity of income, (6) conditions for reconstituting farms for allotment and base acreage purposes, and (7) the shift of allotments and base acreages on public lands.

SUMMARY OF PRINCIPAL PROVISIONS

Title I -- Dairy

This title provides authority for a "Class I base plan" in the Federal milk marketing areas in the United States. Adoption of the plan is optional with each marketing order area, and may be put into effect only with the approval of the Secretary after a public hearing and then by at least two-thirds of the eligible dairy farmers voting in a referendum. Farmers will vote individually. Bloc voting by cooperatives will not be permitted.

The legislation amends present provisions in the Agricultural Marketing Agreement Act which authorizes the establishment of producer bases for seasonal adjustments. These new amendments would terminate on December 31, 1969.

The amended legislation authorizes the Secretary of Agriculture to establish a base for each producer who supplied milk to that market during some previous period. The method of determining the base and the base period would be determined by the Secretary from evidence recorded at a public hearing. These bases would provide the means of apportioning the higher valued fluid sales among producers. For milk delivered within his base, the producer would receive a price reflecting the higher fluid sales values. He would be paid the lower manufacturing price for all milk marketed above this base. These bases could be transferred under certain conditions.

Any increases in Class I sales or any bases forfeited would be made available first to new producers and hardship cases. The legislation makes it clear that marketing orders may be issued for milk for manufacturing purposes. It also makes clear that it is not intended to change the legal status of producer-handlers. Present seasonal base rating plans would be subject to the new procedures. Otherwise, Federal orders (unless amended) would not be affected under the legislation.

Federal milk orders:

The Federal milk marketing order program was authorized by Congress to help assure consumers of a steady and adequate supply of fresh, wholesome milk by establishing and maintaining orderly conditions for dairy farmers in marketing milk.

The orders establish minimum prices, based on supply and demand and other economic factors, which milk dealers, or handlers, must pay to dairy farmers for the milk they deliver. The price depends on whether the milk is ultimately used for bottling purposes or for the manufacture of dairy products. All dealers must pay at least the minimum price to farmers for milk used in the same manner.

The orders regulate only dairy plants in the market. They do not control production or prevent the farmer from selling his milk to any dealer he chooses. The orders do not guarantee the farmer a market with any buyer. And they do not fix retail prices.

Voluntary in nature, the orders are generally requested by dairy farmers or their cooperative associations. Public hearings at which all interested persons may submit evidence are held when a marketing order is proposed, and USDA issues a recommendation based on evidence presented at the hearing.

After considering any exceptions which might be filed on its recommendation, USDA issues a final decision, which is subject to approval by dairy farmers before the order may be put into effect. Any subsequent amendment in the provisions of the order must go through the same public-hearing and farmer-approval procedure before it is adopted.

Title II -- Wool

The National Wool Act of 1954 is extended through December 31, 1969 with only one change -- a new formula for determining the support price of shorn wool.

The support price is determined by computing the ratio of (1) the average parity index for shorn wool for the three years immediately preceding the year in which the support price is determined, and (2) the average parity index for shorn wool for 1958, 1959 and 1960. That ratio is multiplied by 62 cents.

Currently the support rate is 62 cents a pound. Under the new formula the support rate for 1966 would be about 65 cents a pound.

Title III -- Feed Grains

This title continues the voluntary feed grain program for four more years (1966 through 1969 crops). It provides, as in the past, for price-support loans and in-kind payments to program participants. In keeping the price support range at 65 to 90 percent of parity for corn (with comparable levels for grain sorghum, barley, oats, and rye) it provides the basis for support prices around levels of recent years. By diverting acreage from feed grain production to conservation uses, participants would receive payments-in-kind to maintain income. Provisions include:

1. Corn and grain sorghum are included; barley also, if designated by the Secretary. Oats and rye also may be included but only when wheat is produced on an oat-rye base under the substitution privilege. Participants may be authorized to grow soybeans in place of feed grains and receive feed grain price-support payments on that acreage.
2. Malting barley may be exempted from diversion requirements as in the past.
3. A producer becomes eligible for price support by diverting a specified part of his base acreage. (In previous programs, this has been 20 percent of the base.)
4. Price support will be extended through loans and payments. Price support for corn will be at 65 to 90 percent of parity and at comparable levels for grain sorghum, barley, oats, and rye.
5. The total production from the permitted acres will be eligible for price-support loans. Price-support payments based on projected yields would be made to participants on such part of their base as is necessary to make the program effective. Projected yields established for each farm for computing program benefits will be indicative of the yield per acre expected for each farm using current cultural practices and normal weather conditions.
6. Payments for acreage diverted from feed grain to conservation uses may be up to 50 percent of the total county price-support rate (loan plus price-support payment) multiplied by the farm projected yield.
7. Under certain conditions, the diverted acreage could be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flax at reduced payment rates.

8. Producers could substitute wheat on their feed grain acreages and feed grain on their wheat acreages as under the 1965 program if authorized by the Secretary.
9. Up to 50 percent of the estimated payments could be made at time of sign-up.
10. The provision that the established base acreage of conserving crops on the farm must be maintained, is continued.
11. The existing authority for minimum resale prices of CCC-owned feed grains is continued.
12. Producers who have planted not less than 90 percent of the feed grain acreage needed in order to earn the full amount of price-support payments will be considered as having planted the necessary number of acres, except where feed grains are substituted for wheat.

Changes from previous legislation.

Barley would be included only if designated by the Secretary.

Price-support payments-in-kind can be varied and made only on a part of the acres planted for harvest. This would provide the mechanism to make payments to participants according to the degree of participation. The authority to make payments on only part of the acres planted--such as 50 percent of the base but not in excess of the acres planted--would provide the added flexibility to permit the channeling of funds to those farms making the greater contribution to the surplus reduction.

In order to obtain needed supplies of soybeans, the Secretary may permit producers to substitute soybeans for feed grains on their permitted feed grain acreage (but not on diverted acreage) and still earn feed grain price-support payments. This would provide added flexibility in planning with the opportunity to maximize income. It could also be used to encourage production of soybeans while at the same time reducing production of unneeded feed grains.

The limitation that land diversion and price-support payments could not exceed 20 percent of the fair market value of the land has been removed. Land value is not always a fair criteria of producing capacity. Land in suburban areas is higher priced while not necessarily as a result of superior productiveness. In any event, these payments would be directly related to the farm's productive ability since they would be based on the farm expected yields.

Crambe and plantago ovato are added to the list of non-surplus crops which may be substituted on feed grain diverted acres.

Farmers who are prevented from planting their feed grains because of some natural disaster will be permitted to obtain the same program benefits as if they had planted provided the acreage is not subsequently planted to an income-producing crop.

The yields on which diversion payments would be computed would be the yield expected on the farm in the current year rather than being limited to a historical 5-year average. This will bring program yields more nearly on a par with actual yields.

Title IV -- Cotton

This title continues the one-price approach to keep cotton and cotton products competitive with man-made fibers and foreign production. It attacks surplus cotton production with a program similar to the successful acreage diversion programs for wheat and feed grains. It maintains cotton farmers' incomes through payment supplements.

The provisions are:

1. The present 16 million acre minimum national allotment and marketing quota provisions, the national acreage reserve provisions, and the release and reapportionment provisions are continued.
2. Establishes farm domestic allotments. These will not be less than 65 percent of the farm acreage allotment.
3. At least a 12.5 percent reduction from the farm acreage allotment (as established after release of acreage from the farm or reapportionment of acreage to the farm and after any transfer of allotment by sale or lease) is required for 1966 if price support or other program benefits are desired. For the 1967, 1968, and 1969 crops, the Secretary is authorized to set the mandatory reduction requirement at zero to 12.5 percent. Farmers who make the mandatory reduction will qualify as cooperators. There is an exception for small farms from which no allotment is released -- no reduction will be required (a) on farms with an allotment of 10 acres or less, and (b) on farms on which the projected yield of the farm allotment times the projected yield is 3,600 pounds or less.
4. Permits a person who was the operator of a farm which had a 1965 cotton allotment and who is the operator of the farm both in 1965 and the subsequent year (or heir who succeeds him), to stay out of the program and plant and sell for export without having to pay marketing quota penalties. It establishes a national export market acreage reserve of 250,000 acres for 1966 and establishes a range of zero to 250,000 acres reserve for 1967, 1968 and 1969 to be determined on the basis of specified reductions in carryover. In order to participate, farmers must apply for their share of this export acreage. All of the cotton produced on a farm having export market acreage must be exported without benefit of any government export subsidy and the producers would forego all price

support on cotton produced on this farm. Also, the operator who elects to forego price support for any one of the four years covered by this program shall not be eligible for price support for any such year on any other farm in which he has a substantial or controlling interest, as determined by the Secretary.

5. Price-support payments will be made to cooperators on the farm domestic acreage allotment. This payment when added to the loan rate will reflect not less than 65 percent of parity for the projected yield of the permitted acreage (for 1966 the permitted acreage is 87.5 percent of the farm allotment) and cannot be less than 9 cents a pound. For 1966 the indicated rate is 9.42 cents.
6. Provides loans to cooperators at not more than 90 percent of the estimated average world market price (for 1966, 21 cents) available on the actual production of cotton by cooperators.
7. Provides that diversion payments will be made on the acreage required to be diverted in order to qualify as a cooperator. These payments are to be not less than 25 percent of the parity price as of the month when the rate for diversion payments is announced (10.5 cents a pound is indicated for 1966) on the projected yield of the acreage diverted ($12\frac{1}{2}$ percent of the farm allotment). Small farms which are not required to divert any acreage are eligible for payments on the projected yield of an acreage equal to 35 percent of the farm acreage allotment if they do not plant in excess of the farm acreage allotment.
8. For any acreage diverted in addition to the required diversion the diversion rate will be at a rate determined by the Secretary to be fair and reasonable but not to exceed 40 percent of parity for the projected yield of the acreage diverted. The indicated rate for 1966 is 10.5 cents.
9. The limit on acreage diverted for payment is a total of 35 percent of the farm allotment.
10. Makes producers who do not want to plant any of their acreage allotment eligible for diversion payment on $12\frac{1}{2}$ percent of their farm allotment. The balance of the allotment may be released for reapportionment.

11. Acreage diverted from the production of cotton must be placed in conservation uses. The Secretary is authorized to permit the planting of certain minor crops on the retired acreage.
12. Provides no change from present law on release and reapportionment of cotton allotments.
13. Requires CCC to make cotton available for domestic use at the same prices that it sells for export, but not less than 110 percent of the loan rate, and that it must sell each year for unrestricted use at the market price to provide the difference between estimated production and use.
14. Provides that any farmer desiring to sell or lease his upland cotton allotment to other farmers may do so only to another farmer within that county, unless the farmers of that county have voted in a referendum (by a two-thirds affirmative vote), that it may be sold or leased outside the county. In no case may the allotment be leased or sold outside the State. Transfers of allotments, by lease or sale, may be filed with the county ASC committee only during the period beginning June 1 and ending December 31. Allotments may be leased during the four years covered by the Act and be in effect for the time specified in the lease arrangement. Various restrictions not enumerated here apply to transfers by sale or lease.
15. Exchange of rice and cotton allotments between producers within a county or an adjoining county is authorized under terms and conditions approved by the Secretary.
16. As much as 50 percent of the payment determined for a farm can be made in advance of the determination of performance on the farm and the balance will be made at such time as the Secretary prescribes. Payments may be assigned to persons and firms making crop production loans to farmers.
17. Under the cropland adjustment program farmers may retire land from production under 5- to 10-year contracts, with the requirement for 1966 that all of at least one surplus crop be placed in the program; however, for 1966 the ASCS county committee may request that cotton acreage be excluded from coverage under this program by the Secretary.

Changes from previous legislation.

Price-support loans will be not more than 90 percent of the average world market price for cotton. To maintain farm income from cotton and encourage adjustments in acreages planted to cotton, price support and diversion payments will be made at varying payment rates to producers, depending on participation with acreage reduction provisions.

The equalization payments made to handlers and others will be eliminated. U. S. cotton market prices will move with world prices.

Farmers may plant cotton in excess of the acreage allotment and forego price-support loans and payments on farms receiving export market acreage.

Farmers may plant cotton in excess of the acreage allotment and forego price-support loans and payments on farms receiving export market acreage. In this case, all cotton must be exported.

The sale and lease of upland cotton allotments is permitted.

Farmers must underplant their allotments in order to qualify as cooperators; however, they receive diversion payments on the retired acreage and may receive increased payment if acreage is diverted above the minimum diversion requirement.

Long term contracts for the retirement of cropland from production will be available under the cropland adjustment program.

Title V -- Wheat

This title improves and continues for four years (1966 through 1969 crops) the voluntary wheat certificate program. Provisions are:

1. Marketing quotas are suspended while the program is in effect.
2. Beginning in 1967, computation of State, county and farm wheat allotments is simplified. Each will be computed on the basis of the preceding year's allotment instead of on the basis of 5- and 10-year history. It will not significantly change the present acreage relationships between States, counties, and farms, and will reflect the increases made in small farm allotments under existing law. For 1966, State, county and farm allotments are computed under the law existing before passage of the law and will remain in effect.
3. Projected yields established for each farm for computing program benefits will be indicative of the yield per acre expected for each farm using current cultural practices and normal weather conditions.

4. Producers become eligible for price support by planting within their wheat allotments on all farms in which they have an interest, maintaining on participating farms the normal acreage of conserving crops, and devoting to conservation uses the acreages they divert from wheat.
5. Diversion payments are authorized on additional voluntary diversion up to the larger of (a) 50 percent of the farm allotment or (b) sufficient acreage to bring the total diverted acreage up to 25 acres. The payment rate would be not more than 50 percent of the county loan rate times the farm projected yield.
6. Domestic marketing certificates will be issued to producers to cover estimated domestic food use but not less than 500 million bushels a year.
7. Wheat with domestic certificates will be supported at 100 percent of parity, or as near thereto as practicable. For 1966 wheat accompanied by domestic certificates will be supported at 100 percent of parity.
8. Wheat not accompanied by certificates will be supported through loans at a level based on competitive world prices and the feeding value of wheat in relation to feed grains. For 1966, the national average price-support loan level will not be less than \$1.25 per bushel.
9. The price of domestic certificates sold by Commodity Credit Corporation to domestic food processors of wheat will be the difference between the national average loan level and \$2.00 a bushel.
10. Authority for export certificates is continued. If the U.S. market price falls below the world price, exporters will be required to purchase export certificates, and the cost of such certificates to exporters will be determined daily. At the end of the marketing year, the proceeds from export certificates, minus export subsidy costs, will be distributed to eligible producers on a pro-rata basis.
11. Producers can plant feed grains on their wheat allotments and wheat on their feed grain permitted acres as in 1965, if they so desire. Wheat can also be planted on oat-rye base acreage, however, an adjustment may be made to allow for the difference in feed units produced per acre.
12. Minimum price of CCC wheat for resale is not changed.
13. Authority is included to exempt flour second clears not used for human consumption from the marketing certificate requirement.

14. Provision is included to give the same program benefits to producers who are prevented from planting wheat because of natural disasters as they would have received if they had planted provided the land is not planted to any other income-producing crop.
15. Authority is given, under certain conditions, to allow planting of diverted acreage to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, flax, crambe, and plantago ovato at reduced payment rates.
16. Producers who have planted not less than 90 percent of the wheat acreage needed in order to earn the full amount of certificates will be considered as having planted the necessary number of acres, except where wheat is substituted for feed grains.
17. Authority is given to adjust or withhold certificates on farms where undesirable wheat varieties are planted.

Changes from previous legislation.

Wheat for domestic food use will be supported at 100 percent of parity, or as near as practicable. For 1966, the support will be at 100 percent of parity. Commodity Credit Corporation will pay the support above \$2, and domestic wheat processors will pay the difference between the national average price-support loan rate and \$2 (for 1966, processors will pay 75 cents per bushel).

Noncertificate wheat and wheat for export would be supported at the Secretary's discretion at a level based on world market price and the feeding value of wheat. Export certificate costs to exporters will be on a day-to-day basis rather than on a predetermined annual value as in 1965. The net proceeds from export certificates will be distributed to producers on a pro rata basis at the end of the marketing year. In 1965, export certificates with a predetermined face value were issued to producers for 35 percent of the normal yield of their allotments.

The minimum number of domestic certificates will be 500 million. There was no minimum in 1965.

Diversion payments are authorized on additional voluntary diversion up to 50 percent of the farm allotment or sufficient acreage to bring the total diverted acreage up to 25 acres, whichever is larger. In 1965, the maximum was 20 percent of the allotment or sufficient acreage to bring the total diverted acreage up to 15 acres, whichever was larger.

An adjustment may be made to allow for the difference in feed units of oats and/or rye when wheat is substituted for those crops.

State, county, and farm allotments, beginning in 1967, will be based on the previous year's allotment rather than historical averages.

Projected yields will be established for each farm. These yields will be the yield per acre expected for each farm using current cultural practices and normal weather.

Title VI -- Cropland Adjustment Program

This title provides for long-term diversion of land currently being used for the production of surplus crops to protective conservation uses. This would be for the immediate and longtime benefit of all citizens. It brings about economically desirable changes in land uses as well as expansion of recreation resources and wildlife habitat, reduction of stream siltation, increasing reforestation, and improvement of the scenic state of the countryside. It also helps achieve needed crop production adjustments at lower costs to the public.

Provisions are:

1. Contracts can be entered into with producers during the period 1965 through 1969. This would permit signups to start in the fall of 1965.
2. The period covered by any contract can be not less than 5 years nor more than 10 years.
3. Contracts beginning in 1966 will be made with farmers who have an allotment or base acreage of one of the crops designated by the Secretary and who agree to place the entire acreage of one of these crops in the program for the duration of the contract. Provision is made authorizing the establishment of a minimum acreage adjustment needed to participate in contracts which begin after 1966.
4. For diverting cropland to approved uses, producers will receive adjustment payments and will be eligible to receive cost-share payments for establishing approved uses.
5. Grazing or cutting hay from land diverted from crops under the program would be prohibited except in the case of severe drought, flood, or other natural disaster and then only with appropriate reduction in rental payments.
6. The adjustment payments can be made in annual payments, a lump sum, or in other installments. Payments in advance of performance will be discounted at the rate of 5 percent per year.

7. The total acreage of land and the total acreage of any allotment or base crop placed under contract in any county or community will be limited to assure that the local economy is not adversely affected.
8. The Secretary is authorized to transfer funds, appropriated for carrying out the program, to any other Federal agency or to States or local governmental agencies for use in acquiring cropland to be permanently retired from crops to the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities and the prevention of air and water pollution, at costs not greater than those under agreements entered into with producers.
9. The Secretary is authorized to share the cost with State and local governmental agencies in the establishment on cropland of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife and recreational resources and prevent air and water pollution, at costs consistent with those under agreements with producers.
10. No land can be brought into the program on which ownership has changed during the three year period preceding the first year of the contract. Exceptions are land changing ownership by will or succession and under some conditions land purchased before January 1, 1965 or where the person who will control the land under the program also operated and controlled it in the three preceding years.
11. The annual payments on retired land may be increased by appropriate amounts if the owner agrees to permit access to the land without charge by the general public for hunting, trapping, fishing or hiking under applicable State and Federal regulations.
12. There is a limitation on the size of the program. Agreements signed in any fiscal year may not cause additional annual payments in excess of \$225 million in any calendar year.
13. Crop acreage and allotment history will be protected under the program. Another provision in this section of the law will authorize the Secretary to provide uniform protection of crop acreage and allotment history for land diverted to conservation uses.
14. The program will be administered by the ASCS farmer committee system.

Changes from previous legislation.

This legislation will fill a void in the effort to get a comprehensive shift of farm acreage from the production of crops to new uses to fill the land requirements of our changing economy.

It draws upon the experience of past programs and seeks to incorporate their best features. It will safeguard rural communities by limiting the amount of land in an area that could be retired under the program.

Title VII -- Miscellaneous

Compliance by measurement or other means.

Authorizes the Secretary to use measurement or other methods in ascertaining the acreage of any commodity or land use to determine compliance under any program.

Lease and transfer of tobacco allotments.

Amends the Agricultural Adjustment Act of 1938, as amended, to extend the transfer and leasing of tobacco allotments through 1969. In addition, provides that when acreage-poundage quotas are in effect for any kind of tobacco, except burley, cigar-filler and cigar-binder (types 42, 43, 44, 53, 54 and 55) the lease or transfer is to be on a pound for pound basis.

Study parity income.

The Secretary is directed to make a study of the parity income of farmers including criteria for measuring parity income of commercial family farmers and the feasibility of adapting such criteria to major types of farms and to selected counties. The results to be reported to Congress by June 30, 1966.

Transfer allotments on public lands.

Authorizes the Secretary to transfer, upon request of any State agency, allotments or feed grain bases, including relevant production histories, from any farm composed of State owned public lands to any other farm or farms in the same county composed of public lands. As a condition of the transfer any acreage greater than the allotment or base transferred is to be devoted to permanent vegetative cover on the farm from which transfer is made. Provision is also made for the adjustment of the acreage transferred to account for higher yields on the farm to which the acreage is transferred.

Reconstitution of farms.

Provides that when a part of a farm is sold the acreage allotments, base acreages and history acreages are to be divided in the same proportion as the cropland acreage sold bears to cropland acreage of the parent farm. Except that the Secretary is to provide by regulation the method of division of the allotments, histories and bases when:

- (1) The land transferred from the parent farm is being transferred to any agency having the right of eminent domain.
- (2) The land transferred is to be used for non-agricultural purposes.
- (3) The parent farm resulted from a combination of tracts and records are available showing the contribution of each tract.
- (4) The county committee determines that a division based on cropland proportions will result in allotments or bases out of line with operations normally carried out on the transferred tract.
- (5) The parent farm is divided among heirs in settling an estate.
- (6) The tract transferred or the remaining portion of the parent farm receives allotments in excess of allotments for similar farms in the community (not applicable to burley tobacco).

Projected yields.

Authorizes the use of projected yields in lieu of normal yields. The projected yield cannot be less than the proven yield for a farm.

Purchase of dairy products.

The Secretary is authorized to use CCC funds to purchase dairy products, except fluid milk for schools, at market prices to meet the requirements for domestic relief, foreign distribution and other programs authorized by law when the CCC inventory is inadequate for these uses.

Boiled peanuts.

Continues the exemption of boiled peanuts from marketing quotas through the 1969 crop.

Title VIII -- Rice

This title is designed to maintain income of rice growers and at the same time keep production in line with demand, foreign and domestic.

The program continues provisions of the law governing the 1965 crop, with the important difference that if the national acreage allotment for rice crops in 1966, 1967, 1968 or 1969 is less than the national acreage allotment for 1965 (1,818,638 acres) the Secretary of Agriculture must institute acreage diversion payments to maintain net income of rice producers.

The income figure, if acreages are reduced, would take lower production costs into consideration in determining net income of growers.

The law also provides that, on diverted acreage when a diversion program is used, the Secretary of Agriculture may permit all or part of the diverted acreage on a farm to be devoted to production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe plantago ovato and flax, subject to certain conditions. If diverted acres are used for growing these oilseeds, diversion payment rates will be adjusted at a rate determined to be fair and reasonable.

Another item, previously used in diversion programs for other crops, is the provision that a 50 percent advance payment may be made prior to the determination of performance.

This title also provides that, in determining support prices for the 1966 and 1967 crops of rice, the value factors (which reflect the national support price) cannot be reduced below the 1965 program value factors. In effect, this establishes price levels below which various types of rice may not be supported; upward adjustments are allowed under this legislation. Also, the difference between the value factors (support prices) for the various varieties or groups of varieties cannot be greater than the difference between the value factors established for the 1965 crop program.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

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U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

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should not be quoted
or cited)

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HIGHLIGHTS: Both Houses received farm message. Several Senators and Reps. discussed message. Sen. Dodd urged reduction of Public Law 480 aid to UAR. Rep. Findley criticized higher consumer textile prices. Reps. Senner and Michel favored action prohibiting Public Law 480 sales to UAR. Rep. Albert inserted President's statement favoring Presidential discretion in sale of surplus commodities to UAR under Public Law 480. Sen. McGee introduced and discussed bill to extend Wool Act.

SENATE

1. FARM PROGRAM. Both Houses received the President's farm message (H. Doc. 73) (pp. 1943-6, 1998-2002) in which he:

Recommended extension of the voluntary feed grain and wheat programs; requested that authority be continued for the Secretary of Agriculture to set price support levels and to adjust other features of these programs as conditions may require; and stated that specific recommendations will be trans-

mitted to the Congress which will permit the operation of these programs to be simplified and make it possible for additional crops - particularly soybeans - to be grown as needed on acreage diverted from grains.

Recommended extension and improvement of the cotton program; and stated that it is essential that cotton be competitive with other fibers and in world markets, and at the same time measures must be adopted to reduce the cost of this program and the level of stocks.

Requested authorization to place production and marketing limits on an acreage-poundage basis for tobacco; and stated that consideration should be given to revisions in our programs which will make American tobacco more competitive in world markets.

Requested that consideration be given to amending the price support program for rice to support market prices at competitive world levels, and to provide additional supports for producer incomes from the proceeds of marketing certificates.

Recommended extension of the Wool Act with minor amendments which will be transmitted to the Congress.

Stated that we will help livestock farmers and ranchers to build markets here and abroad, and to preserve fair competition in the marketing of livestock and livestock products, and continue our present measures which will prevent an undue increase in imports.

Recommended that acreage allotments and bases under the several production adjustment programs be made transferable by lease or sale to family farmers in the same state.

Recommended that the acreage diversion and acreage allotment programs now in effect be supplemented by a long-term Cropland Adjustment Program which will reduce the cost of our production adjustment efforts, assist landowners in turning their land to non-agricultural uses such as recreation and to forestry, and assist small farmers who want to do other work while remaining in their communities; and recommended that the authorizing legislation permit funds appropriated for cropland adjustment to be used to augment monies raised by States and local governments and those which are provided by the Federal Government through the Land and Water Conservation Fund and other programs for public land acquisition.

Requested authorization to determine the levels of commodity stocks required for a national security reserve; for emergency relief purposes, and for domestic economic stabilization, and authority to take actions to insulate these stocks from the market so that they might be preserved for time of emergencies; and stated that the costs incurred in maintaining that part of our commodity stocks designated as reserves should be separated from the cost of farm price and income support programs, and that CCC would continue to manage the stocks in conjunction with price support operations.

Stated that we expect to make additional gains in the export of agricultural commodities, and that we shall make every effort to achieve liberalization in agricultural as well as industrial products in the trade negotiations under way in Geneva.

Stated that ways to broaden the Food for Peace program are continuing to be studied, and that it is planned to gear the program more specifically to the needs of recipient countries and their economic development programs.

Stated that he intended to conduct a fundamental examination of the entire Agriculture policy of the U. S.; that he will reorganize the National Agricultural Advisory Commission into a new Commission on Food and Fiber which will be broadly representative of rural communities, consumers, producers, industry, government, and the public; and that he expected the new Commission to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America.

Recommended enactment of legislation to equalize the availability of home mortgage credit in rural areas by supplementing the mortgage insurance programs of the Federal Housing Administration with a rural mortgage insurance program to be administered by the Department of Agriculture; and recommended an increase in the annual limit upon the Department of Agriculture's existing loan insurance program, which insures not only farm ownership loans but loans for community water systems and recreation development.

Stated that he will soon make recommendations to improve and make permanent the Area Redevelopment Act.

Stated that he was asking the Secretary of Agriculture to so utilize the Commodity Credit Corporation as to make the free market system work more effectively for the farmer; that we must encourage the private segment of our economy to carry its own inventories, bought from farmers, rather than depending on the government as a source of supply; and that we must urge the private sector to perform as many services as possible now performed by government agencies.

The message includes the following statement:

"Since it is clear that an administrative office for each Federal Agency or program cannot and should not be established in every county, a method must be developed to extend the reach of those Federal agencies and programs which should, but do not now, effectively serve rural areas.

"Accordingly, I have asked:

"1. Each Department and agency administering a program which can benefit rural people to assure that its benefits are distributed equitably between urban and rural areas.

"2. The Secretary of Agriculture and the Director of the Budget to review carefully with the head of each Department or agency involved, the administrative obstacles which may stand in the way of such equitable distribution. They should propose administrative or legislative steps which can be taken to assure that equity is attained to assure full participation by rural areas.

"3. The Secretary of Agriculture to put the facilities of his field offices at the disposal of all Federal agencies to assist them in making their programs effective in rural areas. The Secretary is creating within the Department of Agriculture a Rural Community Development Service, which will have no operating programs of its own but will devote its energies to assisting other agencies in extending their services. I have requested funds in the 1966 budget to finance this service and to strengthen the capacity of the Cooperative Federal-State Extension Service to assist rural communities in forming strong and active development organizations."

Sen. Aiken called the President's message excellent, and stated it "provides a good launching pad from which to start" (p. 1966). Sen. McGovern stated that it was "one of the strongest farm messages and one of the best farm messages ever received by the Congress," and inserted a statement of the Master of the National Grange commending the message (pp. 1966-7). Sen. Bartlett commended the President "for the careful attention that is being paid to meeting the consumer needs of our Nation in the farm program" (p. 1969). Sen. Sparkman stated that "the President has faced up in a sincere and realistic manner to the problems and potentials of rural America" (pp. 1969-70). Sen. Gore stated that the message "restates and emphasizes the need for a successful Kennedy round of negotiation under the General Agreement on Tariffs

and Trade" (p. 1970). Sen. Harris stated that he was "impressed by its recognition that food and agriculture policies affect the entire economy" (pp. 1971-2). Sen. Javits commended the proposed establishment of a "National Agricultural Advisory Commission on Food Policy" and expressed disappointment that the message did not recommend expanded drought relief for N. Y. farmers and did not "set forth any administration position on dairy legislation" (p. 1982). Sen. Neuberger expressed wholehearted support for "that part of the message which declares a parity of opportunity for rural America" (pp. 1989-90).

2. BEEF EXPORTS. Sen. Sparkman announced that the Senate Small Business Committee will hold public hearings on Feb. 24 and 25, to explore ocean freight rate differentials and other factors which may be barriers to the exportation of U. S. beef and beef products. p. 1965
3. PUBLIC LAW 480. Sen. Dodd stated that he favored "a compromise resolution reducing Public Law 480 sales to Egypt by one-third or one-fourth of the average figure for the past 4 years." Sen. Gruening commended Sen. Dodd's proposal. pp. 1978-9
4. ELECTRIFICATION. Sen. McGovern inserted and commended Norman Clapp's address at the annual meeting of the National Rural Electric Cooperative Assoc. reviewing the rural electrification program. pp. 1967-9
Sen. Metcalf stated that the Keating proviso in the Public Works Appropriation Acts, regarding the construction of transmission facilities within those areas covered by power wheeling service contracts, has "resulted in millions of dollars of excessive charges for wheeling Federal power," and inserted a speech by Sen. Moss calling for repeal of the Keating proviso. pp. 1970-1
5. STOCKPILING. The Armed Services Committee voted to report (but did not actually report) with amendment S. 28, to insure the availability of certain critical materials during a war or national emergency by providing for a reserve of such materials. p. D73
6. WATER POLLUTION. Sen. Javits urged that the water pollution control bill, S. 4, be amended to eliminate features "which discriminate against heavily populated areas." p. 1982
7. PACKAGING. At the request of Sen. Hart, consent was granted for S. 985, the truth-in-packaging bill, to lie on the table until Feb. 18, for additional cosponsors. pp. 1972-4
8. GRANTS-IN-AID. Sen. Ervin, Jordan (Idaho), and Saltonstall were added as cosponsors of S. 689, to provide for periodic congressional review of Federal grants-in-aid to State and local governments. p. 1965
9. LEGISLATIVE PROGRAM. Sen. Mansfield announced that S. 28, the stockpile bill, will be considered Tues., Feb. 9. p. 1900
10. ADJOURNED until Mon., Feb. 8. p. 1990

HOUSE

11. FARM PROGRAM. Rep. Jones, Mo., and other Representatives discussed the merits of the President's farm message. pp. 2002-4

Rep. Poage stated that the President's message "should set at rest the... concern which has disturbed so many...since the Director of the Budget wrote his much quoted article which many people interpreted to indicate a desire to force some 2½ million farm families out of their homes." p. 2028

12. RESEARCH. Rep. Roush discussed the "vital need for the maintenance and expansion of research programs." pp. 2004-5
13. FOREIGN AID. Reps. Senner and Michel spoke in favor of the amendment to the supplemental appropriation bill prohibiting sale of agricultural commodities to the UAR under title I of Public Law 480. pp. 2005-6, 2026-7
Rep. Albert inserted the President's statement on the amendment relating to the sale of surplus commodities to the UAR under title I of Public Law 480 favoring the modified version passed by the Senate. p. 2027
14. COTTON. Rep. Findley inserted a USDA price table and stated that "the purpose of the cotton legislation was to make cotton more competitive so farmers could have expanding markets" but after "more than \$300 million in handouts to textile mills, consumer prices are up, U. S. exports of raw cotton and textiles are down, and mills are showing the biggest margins in 19 years." pp. 2011-12
15. PERSONNEL. The "Daily Digest" states that the Post Office and Civil Service Committee voted to report (but did not actually report) the following bills: H. R. 1535, to authorize the establishment of hazardous-duty pay in certain cases; H. R. 1647, to provide for the payment of certain amounts and restoration of employment benefits to certain Government officers and employees improperly deprived thereof; H. R. 1746, to define the term "child" for lump-sum payment purposes; H. R. 1782, to amend the Retired Federal Employees Health Benefits Act with respect to Government contribution for expenses incurred in the administration of such Act; and H. R. 2594, to clarify the application of certain annuity-increase legislation. p. D76
16. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon., Feb. 8, a request will be made to send to conference H. J. Res. 234, the Department of Agriculture supplemental appropriation bill. p. 2017
17. ADJOURNED until Mon., Feb. 8. p. 2036

ITEMS IN APPENDIX

18. FOREIGN AID; SURPLUS FOOD. Rep. Tunney inserted an article critical of action by the House to restrict shipment of surplus commodities under Public Law 480 to the UAR, and Rep. Rumsfeld inserted an article favoring this action. pp. A462-3
19. AREA REDEVELOPMENT; ELECTRIFICATION. Rep. Younger inserted two articles, "The Greatest Growth Center," and "The New Rural Power Play," criticizing area redevelopment and rural electric cooperative programs. pp. A464-5
20. GRAIN; CCC. Extension of remarks of Rep. Nelsen criticizing CCC grain programs, urging Congress to consider legislation "to correct this devastating practice which has driven farm parity to a depression-time level," and inserting a radio roundup on this subject. p. A467
21. SCIENCE AND TECHNOLOGY. Rep. Miller, Calif., inserted a paper describing the importance of science and technology in relation to our foreign affairs. pp. A467-70

22. GOLDEN EAGLE. Extension of remarks of Rep. Fisher discussing the destruction of wild game and livestock by the golden eagle and criticizing Interior Dept. for not issuing blanket permits for the destruction of the golden eagle. pp. A472-3

BILLS INTRODUCED

23. PATENTS. S. 1005 by Sen. McClellan, to establish a procedure for the publication of patent applications; to Judiciary Committee. Remarks, p. 1961
S. 1006 by Sen. McClellan, and H. R. 4347 by Rep. Celler, for the general revision of the copyright law, title 17 of the United States Code; to Judiciary Committee. Remarks of Sen. McClellan, pp. 1961-2
24. PROPERTY. S. 1000 by Sen. Jackson, and S. 1004 by Sen. McClellan, to amend the act of July 29, 1954, as amended, to permit transfer of title to movable property to agencies which assume operation and maintenance responsibility for project works serving municipal and industrial functions; to Interior and Insular Affairs Committee. Remarks of Sen. Jackson, pp. 1959-60 and Sen. McClellan, pp. 1960-1
25. LANDS. S. 999 by Sen. Jackson, to amend the act of February 28, 1958, relating to the withdrawal, reservation, or restriction of public lands; to Interior and Insular Affairs Committee. Remarks of author, pp. 1958-9
S. 1007 by Sen. McClellan, to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes; to Government Operations Committee. Remarks of author, p. 1962
H. R. 4429 by Rep. Roncalio, to provide for reimbursement to the State of Wyoming for improvements made on certain lands in Sweetwater County, Wyo., if and when such lands revert to the United States; to Agriculture Committee.
26. RECREATION. H. R. 4410 by Rep. Pepper, to establish a Community Recreation Service in the Department of Health, Education, and Welfare; to Education and Labor Committee.
H. R. 4419 by Rep. Roncalio, to establish the Flaming Gorge National Recreation Area in the States of Utah and Wyoming; to Interior and Insular Affairs Committee.
H. R. 4420 by Rep. Roncalio, to provide for the establishment of the Bighorn Canyon National Recreation Area; to Interior and Insular Affairs Committee.
27. WOOL. S. 994 by Sen. McGee, to extend the operation of the National Wool Act of 1954, as amended; to Commerce Committee. Remarks of author, p. 1951
H. R. 4415 by Rep. Roncalio, to extend the operation of the National Wool Act of 1954, as amended; to Agriculture Committee
28. MONOPOLIES. S. 995, by Sen. Sparkman, to amend the Clayton Act by making section 3 of the Robinson-Patman Act, with amendments, a part of the Clayton Act, in order to provide for governmental and private civil proceedings for violations of section 3 of the Robinson-Patman Act; to Judiciary Committee.
29. FISHERIES. S. 998, by Sen. Magnuson, to extend the term during which the Secretary of the Interior is authorized to make fisheries loans under the Fish and Wildlife Act of 1956; to Commerce Committee. Remarks of author, pp. 1957-8
30. TRANSPORTATION. S. 1010 by Sen. Hartke, to repeal section 13a of the Interstate Commerce Act; to Commerce Committee.

FARM PROGRAM

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO

FARM PROGRAM

FEBRUARY 4, 1965.—Referred to the Committee on Agriculture and ordered to be printed

To the Congress of the United States:

The bounty of the earth is the foundation of our economy.

Progress in every aspect of our Nation's life depends upon the abundant harvest of our farms.

Because 7 percent of our work force can produce our food and fiber, the vast majority of Americans can work at other tasks that make our democracy strong and prosperous.

Because our people eat better at less cost than any other people in all the world's history, we can spend our earnings for the many other things which make life rewarding.

Because we have the means to conquer hunger, we can wage an unconditional war on poverty—and win it.

The farm people of this Nation have made and are continuing to make a lasting contribution to our national prosperity. As a matter of simple justice they should share equitably in this prosperity. They deserve a place of dignity and opportunity.

Farmers want new and expanding markets for their efficient production. Farmers want freedom to grow and prosper, freedom to operate competitively and profitably in our present economic system.

As a nation we are increasingly recognizing that food and agricultural policies affect our entire economy. Sound agricultural policy must give full consideration not only to the role of the producer, but also of the processor, the distributor, the exporter, and the ultimate

consumer. This is one major reason for a national investment in agricultural programs.

Farm policy is not something separate. It is part of an overall effort to serve our national interest, at home and around the world.

WHAT WE WANT TO DO

These are the objectives which should guide us:

1. *An abundance of food and fiber at reasonable and stable prices for the people of the United States.*

2. *Effective use of our agricultural resources to promote the interest of the United States and world peace through trade and aid.*

3. *A workable balance between supply and demand at lower costs to the Government.*

4. *Opportunity for the efficient family farmer to earn parity of income from farming operations.*

5. *Parity of opportunity for all rural people, including new opportunity for small farmers.*

The gains which we have made in the past 4 years—in raising farm income, in reducing surplus stocks, in promoting new economic opportunity in rural areas—point the direction we should continue to follow.

THE RURAL SCENE

Rural America is the scene of one of the greatest productive triumphs in the history of man. Yet, despite its service to the Nation, rural America is also the scene of wasted human talent, where there are too many people without jobs and too many with only part-time jobs.

Opportunity in rural America will require wise farm programs to support and stabilize the incomes of commercial family farmers. It will require solutions to the problems of small farmers and those who live in the towns and villages of rural America.

Only one of four rural families now lives on a farm. Only 1 out of 10 boys now growing up on farms can expect to earn a good living as a full-time farmer. Most young people in rural areas must go elsewhere to find their opportunities.

I am determined that the farmers who have been efficient and successful in agriculture shall be fairly rewarded for their success. And I am equally determined that the rural community which has sustained the growth of agriculture shall have the chance to broaden its economic base and the range of opportunity which it can offer the children of its families.

To the White House in recent months have come hundreds and thousands of letters from men and women who live in rural America. Their words are eloquent testimony to the changes which are occurring there and to the uncertainty which those changes are causing:

Thirty years ago, over 7 million American families lived on the farm. Today $3\frac{1}{2}$ million families feed a population that has grown by 50 percent. Enough food is left over to fight hunger among free people all around the globe.

Thirty years ago, a good farm in the Midwest operated with a capital investment of \$18,000. Today, nearly \$100,000 is needed. In the Southeast, capital requirements rose from \$4,500 to \$30,000.

Farmers with inadequate resources make up one segment of rural America's great unsolved problem of underemployment. Another is made up of families who have left the farm but have not yet found a place in the nonagricultural sector of the economy. A third consists of families displaced by the decline in the rural-based extractive industries—mining and lumbering.

The rural unemployed and underemployed are largely out of sight. Most of them are hidden in the remote valleys of Appalachia and the Ozarks, on the unpaved side roads of the South, in the once-rich timberlands of the North, on Indian reservations, and in the worn-out mining communities of the West.

The results of opportunity's decline in rural America are reflected in harsh facts:

Lack of a decent life is almost twice as prevalent in rural America as it is in urban America. Only 30 percent of our families live in rural areas, but they include 46 percent of those American families with incomes under \$3,000.

Rural America has almost three times the proportion of substandard houses found in urban areas. A fourth of all farm homes and a fifth of rural nonfarm homes are without running water. Over 14,000 rural communities of more than 100 population lack central water supplies.

Rural people lag almost 2 years behind urban residents in educational attainment. They often suffer from a lower quality of education. Per pupil expenditures for elementary and secondary education in rural school districts are substantially below expenditures in urban districts.

Rural communities lag in health facilities. Rural children receive one-third less medical attention than urban children. Their mortality rate is far higher.

These deficiencies feed on one another. They leave too few resources to support education, health, and other public services essential to development of the talent, skills, and earning power of the people.

PARITY OF OPPORTUNITY FOR RURAL AMERICA

These facts require a national policy for rural America with parity of opportunity as its goal.

There has been a steady migration from our countryside. In the 1950's more than half of America's rural counties suffered a population loss. But farmers who are handicapped by poor health, age, or lack of skill in any occupation outside of farming and who leave their home communities for want of opportunity often create new problems—for themselves, for the communities they leave, and for the cities which receive them.

When people move away from rural areas, the area suffers. Migration leaves vacant stores, abandoned churches, empty schoolrooms, declining tax bases, and a declining ability to support a minimum level of public service.

This is what we need to have parity of opportunity for rural Americans:

National economic prosperity to increase their employment opportunities;

Full access to education, training, and health services to expand their earning power; and

Economic development of smaller and medium-sized communities to insure a healthy economic base for rural America.

When the rural citizen, his community, business, and government cooperate, the chances for a better rural life increase. Local leadership and initiative are necessary if rural development is to keep pace with the needs of the people. But government can and should provide information as well as the technical and financial assistance which will speed progress.

Many measures enacted by the Congress in recent years are assisting rural communities in building new opportunities for their citizens. Others I have recommended this year aim at these same objectives.

The Area Redevelopment Act has helped scores of small- and medium-sized communities through loans to new industrial enterprises and loans and grants for needed public facilities. I will soon make recommendations that will urge this act be improved and made permanent.

Under the Economic Opportunity Act, communities will be carrying out programs to provide new opportunity for low-income rural families.

The Department of Agriculture has a wide range of programs to assist in rural economic development—loans for telephone systems, for recreation enterprises, for development of forest resources, for community water systems, and for rural housing. The small watershed and resources conservation and development programs add to business activity in rural areas.

The development of new job opportunities in rural areas has been considerably aided in the past by a strong program of rural electrification. The ability of rural areas to attract and support industrial activities—one of the fundamental solutions to the basic problem of our farm population—rests in very large part upon the availability of electric power. We must and will continue our efforts to enable those areas that do not presently possess an adequate power supply to meet their growing demands and insure that the benefits of industrial diversification are available in rural areas.

Many other activities of the Government are assisting businessmen and farmers to revive dying economies and raise the level of public services in rural areas. These include aid for community facilities, employment services, health and education programs, small business loans, job training, and development of outdoor recreation.

Yet gaps remain between the levels of living in rural America and those of urban America; in income, in education, in housing, in health and sanitation facilities. Parity of opportunity remains a distant hope for many. It is a challenge we must meet head on.

REACHING OUT TO RURAL AREAS

In my earlier messages to the Congress, particularly those on education and health, I have proposed measures to assist those areas of our country and those families most in need, both urban and rural.

It is not easy to equitably distribute Federal assistance to a scattered rural population. Rural communities often lack the specialized organizations found in major cities which keep informed of development programs and initiate action to make use of them. Special measures must be taken both by the States, and by Federal agencies to reach rural people, particularly in remote areas.

Since it is clear that an administrative office for each Federal agency or program cannot and should not be established in every county, a method must be developed to extend the reach of those Federal agencies and programs which should, but do not now, effectively serve rural areas.

Accordingly, I have asked:

1. Each Department and agency administering a program which can benefit rural people to assure that its benefits are distributed equitably between urban and rural areas.

2. The Secretary of Agriculture and the Director of the Budget to review carefully with the head of each department or agency involved, the administrative obstacles which may stand in the way of such equitable distribution. They should propose administrative or legislative steps which can be taken to assure that equity is attained to assure full participation by rural areas.

3. The Secretary of Agriculture to put the facilities of his field offices at the disposal of all Federal agencies to assist them in making their programs effective in rural areas. The Secretary is creating within the Department of Agriculture a Rural Community Development Service, which will have no operating programs of its own but will devote its energies to assisting other agencies in extending their services. I have requested funds in the 1966 budget to finance this service and to strengthen the capacity of the Cooperative Federal-State Extension Service to assist rural communities in forming strong and active development organizations. In the meantime, I recommend that the Congress:

1. Enact legislation to equalize the availability of home mortgage credit in rural areas. This can be done by supplementing the mortgage insurance programs of the Federal Housing Administration with a rural mortgage insurance program to be administered by the Department of Agriculture. The Department has administered a direct housing loan program since 1949. But an insurance program will enable the Government to assist effectively a far greater volume of home building with a minimum of budget costs. The Federal Housing Administration has initiated action to extend the effectiveness of its insurance programs in areas where private lenders do not now fully utilize its services.

2. Increase the annual limit upon the Department of Agriculture's existing loan insurance program, which insures not only farmownership loans but loans for community water systems and recreation development.

We have the opportunity now to provide the means by which people in rural towns and on inadequate farms can join the march toward a better life. We must seize this opportunity.

PARITY OF INCOME FOR AMERICAN AGRICULTURE

The commodity programs which were initiated 30 years ago in the administration of President Franklin D. Roosevelt have helped to create a commercially successful agriculture. I propose that these commodity programs be continued and improved.

Over the past 4 years our commodity programs have raised and sustained net farm income at an annual level nearly \$1 billion above 1960. Few activities so dramatically indicate the value to farmers of good programs well administered. Yet the consumer is the major

beneficiary of farm progress. While retail food prices have risen in recent years, the prices of what the farmer sells have actually declined 15 percent since 1947-49.

Our agricultural abundance has also made possible the food stamp, school lunch, surplus food distribution, and special milk programs. These projects are essential to our needy people and to our school-children.

The skill of our family farmers is not an accident. It is the product of a century of public policy aimed at improvement of our agriculture.

Research and education, credit and conservation, and price stabilization have all served us well. They have benefited all Americans, though they were designed as programs for farmers.

Progress is never free of problems. Agricultural progress has made price and income support programs increasingly necessary and increasingly difficult.

The basic need for farm programs arises from the farmer's economic isolation and his enormous capacity to produce. We have today at least 50 million acres more cropland than is required to produce all of the food and fiber that we can consume plus all we can export. Without programs to guide production, new crop surpluses would be inevitable. Even relatively small surplus can depress prices below cost of production levels.

Independent studies by university economists are unanimous in their basic conclusion: *the removal of price and income supports would have a catastrophic effect upon farm income.*

For three decades we have had programs which, by one means or another, have sought to achieve a balance between supply and demand. Born in the emergency of the 1930's, they have countered the income-depressing potential of the revolution in agricultural production.

Our farm programs must always be adapted to the requirements of the future. Today they should be focused more precisely on the opportunity for parity of income for America's family farmers and lower Government costs. But we must recognize that farm programs will be necessary as long as advance in agricultural technology continues to outpace the growth of population at home and markets abroad.

We need to change much of our thinking on farm policy. Just as we do in other segments of our economy, we need to separate the social problems of rural America from the economic problems of commercial agriculture. We need to be concerned about both, but the answers to each may be different.

Our programs should—

- provide efficient family farmers an opportunity to earn parity of income;

- assist those small farmers who have little chance to enlarge their operations but whose age, physical handicap, or lack of education, prevent their shifting to other employment; and

- Assist those farm families who seek to enlarge their productive resources in order to obtain a decent living and have the opportunity and capacity to do so.

We must also continue to tie domestic farm policies to our international trade objectives by pricing our products for export at competitive world levels and by relating our production to the longer term demands of world markets.

Our objective must be for the farmer to get improved income out of the marketplace, with less cost to the Government.

To do this, I am asking the Secretary of Agriculture to so utilize the Commodity Credit Corporation as to make the free market system work more effectively for the farmer. We must encourage the private segment of our economy to carry its own inventories, bought from farmers, rather than depending on the Government as a source of supply. We must urge the private sector to perform as many services as possible now performed by Government agencies.

PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAMS

I recommend to the Congress that the programs now in effect for our major commodities be continued and improved.

These programs can continue to serve our objectives of increased freedom of operation, a steady improvement of incomes, a greater reliance on market forces, and lower Government costs.

Building on present programs, I recommend the following legislation:

Wheat and feed grain

Voluntary feed grain and wheat programs should be extended. Specific recommendations will be transmitted to the Congress which will permit the operation of these programs to be simplified and make it possible for additional crops—particularly soybeans—to be grown as needed on acreage diverted from grains.

Authority should be continued for the Secretary of Agriculture to set price support levels and to adjust other program features as conditions may require.

Cotton

The cotton program of 1964 should also be extended and improved. It is essential that cotton be competitive with other fibers and in world markets. At the same time we must adopt measures to reduce the cost of this program and the level of stocks. Specific amendments to current legislation will be suggested to accomplish these objectives.

Tobacco

The tobacco program must also be reappraised this year. Yield increases, higher Government costs, deterioration in quality, and loss of foreign markets have weakened what has been a highly successful program.

Legislation is needed to authorize production and marketing limits on an acreage-poundage basis. Consideration should also be given to revisions in our programs which will make American tobacco more competitive in world markets.

Rice

Consideration should be given to amending the price support program for rice to support market prices at competitive world levels, and to provide additional supports for producer incomes from the proceeds of marketing certificates.

Wool

The Wool Act, which expires early next year, is operating successfully to help stabilize wool production and bolster producer income. I recommend that it be extended with minor amendments which will be transmitted to the Congress.

Livestock

The sale of meat animals amounts to nearly one-third of all farm income. The stability of this vital phase of our farm economy is based on the continued stability in our feed supply.

We will continue to cooperate with livestock farmers and ranchers so as to maintain a fair price in the marketplace. We will help them to build markets here and abroad, and to preserve fair competition in the marketing of livestock and livestock products, and continue our present measures which will prevent an undue increase in imports.

Other commodities

Continuing study is being given to programs and needs for other agricultural commodities and appropriate changes and recommendations will be made as circumstances may require.

TRANSFER OF ACREAGE ALLOTMENTS

I recommend that acreage allotments and bases under the several production adjustment programs be made transferable by lease or sale to family farmers in the same State.

This will permit some small farmers to expand their acreage. Others who no longer wish to farm can add to their incomes by leasing or selling their allotments.

LONG-RANGE CROPLAND ADJUSTMENT PROGRAM

The annual acreage diversion and acreage allotment programs now in effect should be supplemented by a long-term cropland adjustment program.

I recommend to the Congress a program which will reduce the cost of our production adjustment efforts, assist landowners in turning their land to nonagricultural uses such as recreation and to forestry, and assist small farmers who want to do other work while remaining in their communities. The proportion of land which could be covered by this program in any area should be limited to protect our communities.

Agriculture's excess production capacity is a longrun problem. A long-term land use program can achieve a large part of the needed adjustment more effectively and with greater benefits than annual diversion programs.

This program will reduce the annual cost of other programs by more than its own cost. It will provide enduring benefits not realized under present programs.

The purposes of the cropland adjustment program will be served if much of the land is permanently removed from production. Every reason exists, therefore, for applying a contribution from this program to the cost of public purchases of cropland for recreation, for enhancement of natural beauty, for prevention of air and water pollution, or for open space purposes.

I recommend that the authorizing legislation permit funds appropriated for cropland adjustment to be used to augment moneys raised by States and local governments and those which are provided by the Federal Government through the land and water conservation fund and other programs for public land acquisition.

RESERVE STOCKS

It is time to consider our requirements for agricultural commodities in a reserve for national security, for emergency relief purposes, and for domestic economic stabilization.

The President should be authorized to determine the levels of commodity stocks required and to take actions to insulate these stocks from the market so that they might be preserved for time of emergencies.

The costs incurred in maintaining that part of our commodity stocks designated as reserves should be separated from the cost of farm price and income support programs. The Commodity Credit Corporation would continue to manage the stocks in conjunction with price support operations.

AGRICULTURAL TRADE

The welfare of American agriculture is closely linked to foreign trade. Our 1968 goal of \$6 billion farm product exports was reached in 1964. American farmers last year accounted for one-fourth of U.S. merchandise exports.

These exports have strengthened farm prices, brought additional business income, reduced our surpluses and storage costs, and have helped our international balance of payments. Abroad, they have contributed to political stability and economic progress.

We are not content with the gains we have made in world markets. We expect to make additional gains by improving the means by which we can be competitive in price, in quality, in service to our customers. We will merchandise our products actively, but with full regard to rules of commercial conduct between friendly nations.

In the trade negotiations underway in Geneva, we shall make every effort to achieve liberalization in agricultural as well as industrial products.

WORLD PROGRESS AND PEACE

The food for peace program is good international policy and it is sound economic policy. Food is a powerful weapon for peace. People who are hungry are weak allies of freedom. Men with empty stomachs do not reason together.

We broadened the food for peace program last year and are continuing to study ways to broaden it further. Food shipments under this program help to expand it by building food habits which increase the demand for U.S. products. As the economies of recipient countries are strengthened through American aid, we are able to shift from outright grants of food to concessional sales for foreign currencies and later to sales for dollars.

Foreign currencies accruing from the sales of commodities under the food for peace program have also provided funds for a worldwide market development program, which has played a significant role in bringing about the dramatic increases in commercial farm exports.

This same program has also strengthened growing economies, contributed to rising standards of living, promoted international stability, and literally saved lives in many less-developed countries. Our agricultural resources are thus making a significant contribution to the prospects for peace in the world.

These contributions must continue. They will be increasingly directed toward assisting agricultural development in less-developed, densely populated countries, thus fostering overall economic growth, higher living standards and better nutrition. The disturbing downward trends in food output per person in both Asia and Latin America in recent years must be reversed. And these trends can be arrested and reversed only by a massive mobilization of resources in both the food-deficit countries and the advanced countries of the industrial West.

As I pointed out in my message on foreign aid, we must use both our agricultural abundance and our technical skills in agriculture to assist the developing nations to stand on their own feet. Under our assistance programs we will make full use of the agricultural know-how in the Department of Agriculture and in the land-grant colleges and State universities. We will enlist the support and cooperation of private agencies and enterprises of all kinds.

To make this food aid most effective, we plan to gear our food-for-peace programs more specifically to the needs of recipient countries and their economic development programs. We may need more flexibility to assure proper nutritional balance in these programs, particularly as they relate to child feeding.

I am asking the Secretary of Agriculture and others concerned to study and recommend changes in agricultural policy that may be needed to accomplish these goals.

COMMISSION ON U.S. FOOD AND FIBER POLICY

All Americans have shared in the fruits of an efficient agriculture. All Americans share also the problems we face in the farm economy and in rural America in the years ahead.

Accordingly, to assist in adapting our farm programs to the needs of tomorrow, and in making rural America a full partner in our national economic progress, I intend to conduct a fundamental examination of the entire agriculture policy of the United States. I will reorganize the National Agricultural Advisory Commission—which has made an invaluable contribution in years past—into a new Commission on Food and Fiber. It will be broadly representative of rural communities, consumers, producers, industry, Government, and the public. I expect it to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America.

* * *

There are other parts of our agriculture which merit the support of Congress and the attention of all Americans. Conservation of agricultural land is making a contribution to the beauty and the development of our Nation. It can help even more as we attack pollution of our streams and the defacement of our landscape. Research and education must continue to speed our progress in agriculture, to insure the protection of consumers, and to make full opportunity more than a distant hope.

We must win the battle for a better diet. At the same time we must increase the demand for farm products. If the income of all low-income families were brought up to the \$3,000 annual level, per capita consumption of all food would rise by 2 percent. Meat

consumption among these low-income families would rise by 15 to 20 percent, poultry by 10 to 15 percent, milk products by about 7 percent, and fresh fruits and vegetables by 15 to 20 percent.

The Congress has repeatedly enacted legislation to encourage farmers to improve their economic position through cooperatives. This encouragement and assistance will be carried out, in terms of both the letter and the spirit of the law.

The task of achieving a life of quality and dignity in rural as well as in urban America is one that will engage our minds and hearts and our energies for a lifetime.

We begin with the conviction that this is a goal which is right. We go forward with the knowledge that the unparalleled harvest of today's rural America has been achieved because our ancestors said this too was a reasonable goal.

The path we follow may be long. But I am as certain of eventual success as was President Abraham Lincoln when he founded the Department of Agriculture a century ago and thus started us on the path to abundance.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *February 4, 1965.*



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FOR RELEASE AT 12 NOON (EST)

February 4, 1965

NOTICE: There should be no premature release of this Message to the Congress, nor should its contents be paraphrased, alluded to or hinted at in earlier stories. There is a total embargo on this message until 12:00 noon February fourth, which includes any and all references to any material in this message.

George E. Reedy
Press Secretary to the President

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

The bounty of the earth is the foundation of our economy.

Progress in every aspect of our Nation's life depends upon the abundant harvest of our farms.

Because 7 percent of our work force can produce our food and fiber, the vast majority of Americans can work at other tasks that make our democracy strong and prosperous.

Because our people eat better at less cost than any other people in all the world's history, we can spend our earnings for the many other things which make life rewarding.

Because we have the means to conquer hunger, we can wage an unconditional war on poverty -- and win it.

The farm people of this nation have made and are continuing to make a lasting contribution to our national prosperity. As a matter of simple justice they should share equitably in this prosperity. They deserve a place of dignity and opportunity.

Farmers want new and expanding markets for their efficient production. Farmers want freedom to grow and prosper, freedom to operate competitively and profitably in our present economic system.

As a nation we are increasingly recognizing that food and agricultural policies affect our entire economy. Sound agricultural policy must give full consideration not only to the role of the producer, but also of the processor, the distributor, the exporter, and the ultimate consumer. This is one major reason for a national investment in agricultural programs.

Farm policy is not something separate. It is part of an over-all effort to serve our national interest, at home and around the world.

WHAT WE WANT TO DO

These are the objectives which should guide us:

1. An abundance of food and fiber at reasonable and stable prices for the people of the United States.

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2. Effective use of our agricultural resources to promote the interests of the United States and world peace through trade and aid.

3. A workable balance between supply and demand at lower costs to the Government.

4. Opportunity for the efficient family farmer to earn parity of income from farming operations.

5. Parity of opportunity for all rural people, including new opportunity for small farmers.

The gains which we have made in the past four years -- in raising farm income, in reducing surplus stocks, in promoting new economic opportunity in rural areas -- point the direction we should continue to follow.

THE RURAL SCENE

Rural America is the scene of one of the greatest productive triumphs in the history of man. Yet, despite its service to the Nation, rural America is also the scene of wasted human talent, where there are too many people without jobs and too many with only part-time jobs.

Opportunity in rural America will require wise farm programs to support and stabilize the incomes of commercial family farmers. It will require solutions to the problems of small farmers and those who live in the towns and villages of rural America.

Only one of four rural families now lives on a farm. Only one out of ten boys now growing up on farms can expect to earn a good living as a full-time farmer. Most young people in rural areas must go elsewhere to find their opportunities.

I am determined that the farmers who have been efficient and successful in agriculture shall be fairly rewarded for their success. And I am equally determined that the rural community which has sustained the growth of agriculture shall have the chance to broaden its economic base and the range of opportunity which it can offer the children of its families.

To the White House in recent months have come hundreds and thousands of letters from men and women who live in rural America. Their words are eloquent testimony to the changes which are occurring there and to the uncertainty which those changes are causing.

...Thirty years ago, over seven million American families lived on the farm. Today, 3 1/2 million families feed a population that has grown by 50%. Enough food is left over to fight hunger among free people all around the globe.

...Thirty years ago, a good farm in the Midwest operated with a capital investment of \$18,000. Today, nearly \$100,000 is needed. In the Southeast, capital requirements rose from \$4,500 to \$30,000.

Farmers with inadequate resources make up one segment of rural America's great unsolved problem of underemployment. Another is made up of families who have left the farm but have not yet found a place in the non-agricultural sector of the economy. A third consists of families displaced by the decline in the rural-based extractive industries -- mining and lumbering.

The rural unemployed and underemployed are largely out of sight. Most of them are hidden in the remote valleys of Appalachia and the Ozarks, on the unpaved side roads of the South, in the once-rich timber lands of the North, on Indian reservations, and in the wornout mining communities of the West.

The results of opportunity's decline in rural America are reflected in harsh facts:

...Lack of a decent life is almost twice as prevalent in Rural America as it is in urban America. Only 32 percent of our families live in rural areas, but 46 percent of them have incomes under \$3,000.

...Rural America has almost three times the proportion of substandard houses found in urban areas. A fourth of all farm homes and a fifth of rural nonfarm homes are without running water. Over 14,000 rural communities of more than 100 population lack central water supplies.

...Rural people lag almost two years behind urban residents in educational attainment. They often suffer from a lower quality of education. Per pupil expenditures for elementary and secondary education in rural school districts are substantially below expenditures in urban districts.

...Rural communities lag in health facilities. Rural children receive one-third less medical attention than urban children. Their mortality rate is far higher.

These deficiencies feed on one another. They leave too few resources to support education, health and other public services essential to development of the talent, skills, and earning power of the people.

PARITY OF OPPORTUNITY FOR RURAL AMERICA

These facts require a national policy for rural America with parity of opportunity as its goal.

There has been a steady migration from our countryside. In the 1950's more than half of America's rural counties suffered a population loss. But farmers who are handicapped by poor health, age, or lack of skill in any occupation outside of farming and who leave their home communities for want of opportunity often create new problems -- for themselves, for the communities they leave, and for the cities which receive them.

When people move away from rural areas, the area suffers. Migration leaves vacant stores, abandoned churches, empty schoolrooms, declining tax bases, and a declining ability to support a minimum level of public service.

This is what we need to have parity of opportunity for rural Americans:

...National economic prosperity to increase their employment opportunities;

...Full access to education, training, and health services to expand their earning power, and

...Economic development of smaller and medium-sized communities to insure a healthy economic base for rural America.

When the rural citizen, his community, business and government cooperate, the chances for a better rural life increase. Local leadership and initiative are necessary if rural development is to keep pace with the needs of the people. But government can and should provide information as well as the technical and financial assistance which will speed progress.

Many measures enacted by the Congress in recent years are assisting rural communities in building new opportunities for their citizens. Others I have recommended this year aim at these same objectives.

The Area Redevelopment Act has helped scores of small and medium-sized communities through loans to new industrial enterprises and loans and grants for needed public facilities. I will soon make recommendations that will urge this Act be improved and made permanent.

Under the Economic Opportunity Act, communities will be carrying our programs to provide new opportunity for low-income rural families.

The Department of Agriculture has a wide range of programs to assist in rural economic development -- loans for telephone systems, for recreation enterprises, for development of forest resources, for community water systems, and for rural housing. The small watershed and resources conservation and development programs add to business activity in rural areas.

The development of new job opportunities in rural areas has been considerably aided in the past by a strong program of rural electrification. The ability of rural areas to attract and support industrial activities -- one of the fundamental solutions to the basic problem of our farm population -- rests in very large part upon the availability of electric power. We must and will continue our efforts to enable those areas that do not presently possess an adequate power supply to meet their growing demands and insure that the benefits of industrial diversification are available in rural areas.

Many other activities of the Government are assisting businessmen and farmers to revive dying economies and raise the level of public services in rural areas. These include aid for community facilities, employment services, health programs, small business loans, job training, and development of outdoor recreation.

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Yet gaps remain between the levels of living in rural America and those of urban America: in income, in education, in housing, in health and sanitation facilities. Parity of opportunity remains a distant hope for many. It is a challenge we must meet head-on.

REACHING OUT TO RURAL AREAS

In my earlier messages to the Congress, particularly those on education and health, I have proposed measures to assist those areas of our country and those families most in need, both urban and rural.

It is not easy to equitably distribute Federal assistance to a scattered rural population. Rural communities often lack the specialized organizations found in major cities which keep informed of development programs and initiate action to make use of them. Special measures must be taken both by the States, and by Federal agencies to reach rural people, particularly in remote areas.

Since it is clear that an administrative office for each Federal Agency or program cannot and should not be established in every country, a method must be developed to extend the reach of those Federal agencies and programs which should, but do not now, effectively serve rural areas.

Accordingly, I have asked:

1. Each Department and agency administering a program which can benefit rural people to assure that its benefits are distributed equitably between urban and rural areas.

2. The Secretary of Agriculture and the Director of the Budget to review carefully with the head of each Department or agency involved, the administrative obstacles which may stand in the way of such equitable distribution. They should propose administrative or legislative steps which can be taken to assure that equity is attained to assure full participation by rural areas.

3. The Secretary of Agriculture to put the facilities of his field offices at the disposal of all Federal agencies to assist them in making their programs effective in rural areas. The Secretary is creating within the Department of Agriculture a Rural Community Development Service, which will have no operating programs of its own but will devote its energies to assisting other agencies in extending their services. I have requested funds in the 1966 budget to finance this service and to strengthen the capacity of the Cooperative Federal-State Extension Service to assist rural communities in forming strong and active development organizations.

In the meantime, I recommend that the Congress:

1. Enact legislation to equalize the availability of home mortgage credit in rural areas. This can be done by supplementing the mortgage insurance programs of the Federal Housing Administration with a rural mortgage insurance program to be administered by the Department of Agriculture.

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The Department has administered a direct housing loan program since 1949. But an insurance program will enable the Government to assist effectively a far greater volume of home building with a minimum of budget costs. The Federal Housing Administration has initiated action to extend the effectiveness of its insurance programs in areas where private lenders do not now fully utilize its services.

2. Increase the annual limit upon the Department of Agriculture's existing loan insurance program, which insures not only farm ownership loans but loans for community water systems and recreation development.

We have the opportunity now to provide the means by which people in rural towns and on inadequate farms can join the march toward a better life. We must seize this opportunity.

PARITY OF INCOME FOR AMERICAN AGRICULTURE

The commodity programs which were initiated 30 years ago in the Administration of President Franklin D. Roosevelt have helped to create a commercially successful agriculture. I propose that these commodity programs be continued and improved.

Over the past four years four commodity programs have raised and sustained net farm income at an annual level nearly \$1 billion above 1960. Few activities so dramatically indicate the value to farmers of good programs well administered. Yet the consumer is the major beneficiary of farm progress. While retail food prices have risen in recent years, the prices of what the farmer sells have actually declined 15 percent since 1947-49.

Our agricultural abundance has also made possible the food stamp, school lunch, surplus food distribution, and special milk programs. These projects are essential to our needy people and to our school children.

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(more)

These contributions must continue. They will be increasingly directed toward assisting agricultural development in less developed, densely populated countries, thus fostering overall economic growth, higher living standards and better nutrition. The disturbing downward trends in food output per person in both Asia and Latin America in recent years must be reversed. And these trends can be arrested and reversed only by a massive mobilization of resources in both the food-deficit countries and the advanced countries of the industrial West.

As I pointed out in my message on Foreign Aid, we must use both our agricultural abundance and our technical skills in agriculture to assist the developing nations to stand on their own feet. Under our assistance programs we will make full use of the agricultural know-how in the Department of Agriculture and in the land grant colleges and State universities. We will enlist the support and cooperation of private agencies and enterprises of all kinds.

To make this food aid most effective, we plan to gear our Food for Peace programs more specifically to the needs of recipient countries and their economic development programs. We may need more flexibility to assure proper nutritional balance in these programs, particularly as they relate to child feeding.

I am asking the Secretary of Agriculture and others concerned to study and recommend changes in agricultural policy that may be needed to accomplish these goals.

Commission on U.S. Food and Fiber Policy

All Americans have shared in the fruits of an efficient agriculture. All Americans share also the problems we face in the farm economy and in rural America in the years ahead.

Accordingly, to assist in adapting our farm programs to the needs of tomorrow, and in making rural America a full partner in our national economic progress, I intend to conduct a fundamental examination of the entire Agriculture policy of the United States. I will reorganize the National Agricultural Advisory Commission--which has made an invaluable contribution in years past--into a new Commission on Food and Fiber. It will be broadly representative of rural communities, consumers, producers, industry, government, and the public. I expect it to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America.

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There are other parts of our agriculture which merit the support of Congress and the attention of all Americans. Conservation of agricultural land is making a contribution to the beauty and the development of our nation. It can help even more as we attack pollution of our streams and the defacement of our landscape. Research and education must continue to speed our progress in agriculture, to insure the protection of consumers, and to make full opportunity more than a distant hope.

We must win the battle for a better diet. At the same time we must increase the demand for farm products. If the income of all low-income families were brought up to the \$3,000 annual level, per capita consumption of all food would rise by 2 percent. Meat consumption among these low-income families would rise by 15 to 20 percent; poultry by 10 to 15 percent; milk products by about 7 percent and fresh fruits and vegetables by 15 to 20 percent.

The Congress has repeatedly enacted legislation to encourage farmers to improve their economic position through cooperatives. This encouragement and assistance will be carried out, in terms of both the letter and the spirit of the law.

The task of achieving a life of quality and dignity in rural as well as in urban America is one that will engage our minds and hearts and our energies for a lifetime.

We begin with the conviction that this is a goal which is right. We go forward with the knowledge that the unparalleled harvest of today's rural America has been achieved because our ancestors said this too was a reasonable goal.

The path we follow may be long. But I am as certain of eventual success as was President Abraham Lincoln when he founded the Department of Agriculture a century ago and thus started us on the path to abundance.

LYNLEON B. JOHNSON

THE WHITE HOUSE,

February 4, 1965.

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United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, FIRST SESSION

Vol. 111

WASHINGTON, THURSDAY, FEBRUARY 4, 1965

No. 24

Senate

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, as in reverence we hallow Thy name, so may we hallow our own, as we keep our honor bright, our hearts pure, our ideals untarnished, and our devotion to the Nation's welfare high and true.

To all the heinous forms of brutal hatred which devastate our earth, which could be so fair, we would close our eyes for this dedicated moment and still our souls in the calm assurance that at the heart of the universe, goodness reigns.

In that faith, send us forth, without fear or favor, to do the right as Thou dost give us to see the right, firm in our conviction that these clouds are lies and that the blue sky is the truth.

At last may grateful generations who will inherit a kindlier earth count us among the architects of the final parliament of peace and plenty in which every kindred and every tongue shall find its rightful place.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 3, 1965, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford, one of his secretaries.

RURAL AMERICA—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 73)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States on rural America. Without objection, it will be printed in the RECORD without being read, and referred to the Committee on Agriculture and Forestry.

The message from the President is as follows:

To the Congress of the United States:

The bounty of the earth is the foundation of our economy.

Progress in every aspect of our Nation's life depends upon the abundant harvest of our farms.

Because 7 percent of our work force can produce our food and fiber, the vast majority of Americans can work at other tasks that make our democracy strong and prosperous.

Because our people eat better at less cost than any other people in all the world's history, we can spend our earnings for the many other things which make life rewarding.

Because we have the means to conquer hunger, we can wage an unconditional war on poverty—and win it.

The farm people of this Nation have made and are continuing to make a lasting contribution to our national prosperity. As a matter of simple justice they should share equitably in this prosperity. They deserve a place of dignity and opportunity.

Farmers want new and expanding markets for their efficient production. Farmers want freedom to grow and prosper, freedom to operate competitively and profitably in our present economic system.

As a Nation we are increasingly recognizing that food and agricultural policies affect our entire economy. Sound agricultural policy must give full consideration not only to the role of the producer, but also of the processor, the distributor, the exporter, and the ultimate consumer. This is one major reason for a national investment in agricultural programs.

Farm policy is not something separate. It is part of an overall effort to serve our national interest, at home and around the world.

WHAT WE WANT TO DO

These are the objectives which should guide us:

1. An abundance of food and fiber at reasonable and stable prices for the people of the United States.

2. Effective use of our agricultural resources to promote the interests of the

United States and world peace through trade and aid.

3. A workable balance between supply and demand at lower costs to the Government.

4. Opportunity for the efficient family farmer to earn parity of income from farming operations.

5. Parity of opportunity for all rural people, including new opportunity for small farmers.

The gains which we have made in the past 4 years—in raising farm income, in reducing surplus stocks, in promoting new economic opportunity in rural areas—point the direction we should continue to follow.

THE RURAL SCENE

Rural America is the scene of one of the greatest productive triumphs in the history of man. Yet, despite its service to the Nation, rural America is also the scene of wasted human talent, where there are too many people without jobs and too many with only part-time jobs.

Opportunity in rural America will require wise farm programs to support and stabilize the incomes of commercial family farmers. It will require solutions to the problems of small farmers and those who live in the towns and villages of rural America.

Only one of four rural families now lives on a farm. Only 1 out of 10 boys now growing up on farms can expect to earn a good living as a full-time farmer. Most young people in rural areas must go elsewhere to find their opportunities.

I am determined that the farmers who have been efficient and successful in agriculture shall be fairly rewarded for their success. And I am equally determined that the rural community which has sustained the growth of agriculture shall have the chance to broaden its economic base and the range of opportunity which it can offer the children of its families.

To the White House in recent months have come hundreds and thousands of letters from men and women who live in rural America. Their words are eloquent testimony to the changes which are occurring there and to the uncertainty which those changes are causing.

Thirty years ago, over 7 million American families lived on the farm. Today,

3½ million families feed a population that has grown by 50 percent. Enough food is left over to fight hunger among free people all around the globe.

Thirty years ago, a good farm in the Midwest operated with a capital investment of \$18,000. Today, nearly \$100,000 is needed. In the Southeast, capital requirements rose from \$4,500 to \$30,000.

Farmers with inadequate resources make up one segment of rural America's great unsolved problem of underemployment. Another is made up of families who have left the farm but have not yet found a place in the nonagricultural sector of the economy. A third consists of families displaced by the decline in the rural-based extractive industries—mining and lumbering.

The rural unemployed and underemployed are largely out of sight. Most of them are hidden in the remote valleys of Appalachia and the Ozarks, on the unpaved side roads of the South, in the once-rich timberlands of the North, on Indian reservations, and in the worn-out mining communities of the West.

The results of opportunity's decline in rural America are reflected in harsh facts:

Lack of a decent life is almost twice as prevalent in rural America as it is in urban America. Only 30 percent of our families live in rural areas, but they include 46 percent of those American families with incomes under \$3,000.

Rural America has almost three times the proportion of substandard houses found in urban areas. A fourth of all farm homes and a fifth of rural non-farm homes are without running water. Over 14,000 rural communities of more than 100 population lack central water supplies.

Rural people lag almost 2 years behind urban residents in educational attainment. They often suffer from a lower quality of education. Per pupil expenditures for elementary and secondary education in rural school districts are substantially below expenditures in urban districts.

Rural communities lag in health facilities. Rural children receive one-third less medical attention than urban children. Their mortality rate is far higher.

These deficiencies feed on one another. They leave too few resources to support education, health, and other public services essential to development of the talent, skills, and earning power of the people.

PARITY OF OPPORTUNITY FOR RURAL AMERICA

These facts require a national policy for rural America with parity of opportunity as its goal.

There has been a steady migration from our countryside. In the 1950's more than half of America's rural counties suffered a population loss. But farmers who are handicapped by poor health, age, or lack of skill in any occupation outside of farming and who leave their home communities for want of opportunity often create new problems—for themselves, for the communities they leave, and for the cities which receive them.

When people move away from rural areas, the area suffers. Migration leaves vacant stores, abandoned churches, empty schoolrooms, declining tax bases, and a declining ability to support a minimum level of public service.

This is what we need to have parity of opportunity for rural Americans:

National economic prosperity to increase their employment opportunities;

Full access to education, training, and health services to expand their earning power, and

Economic development of smaller and medium-sized communities to insure a healthy economic base for rural America.

When the rural citizen, his community, business and government cooperate, the chances for a better rural life increase. Local leadership and initiative are necessary if rural development is to keep pace with the needs of the people. But government can and should provide information as well as the technical and financial assistance which will speed progress.

Many measures enacted by the Congress in recent years are assisting rural communities in building new opportunities for their citizens. Others I have recommended this year aim at these same objectives.

The Area Redevelopment Act has helped scores of small- and medium-sized communities through loans to new industrial enterprises and loans and grants for needed public facilities. I will soon make recommendations that will urge this act be improved and made permanent.

Under the Economic Opportunity Act, communities will be carrying out programs to provide new opportunity for low-income rural families.

The Department of Agriculture has a wide range of programs to assist in rural economic development—loans for telephone systems, for recreation enterprises, for development of forest resources, for community water systems, and for rural housing. The small watershed and resources conservation and development programs add to business activity in rural areas.

The development of new job opportunities in rural areas has been considerably aided in the past by a strong program of rural electrification. The ability of rural areas to attract and support industrial activities—one of the fundamental solutions to the basic problem of our farm population—rests in very large part upon the availability of electric power. We must and will continue our efforts to enable those areas that do not presently possess an adequate power supply to meet their growing demands and insure that the benefits of industrial diversification are available in rural areas.

Many other activities of the Government are assisting businessmen and farmers to revive dying economies and raise the level of public services in rural areas. These include aid for community facilities, employment services, health and education programs, small business loans, job training, and development of outdoor recreation.

Yet gaps remain between the levels of living in rural America and those of

urban America: in income, in education, in housing, in health and sanitation facilities. Parity of opportunity remains a distant hope for many. It is a challenge we must meet head on.

REACHING OUT TO RURAL AREAS

In my earlier messages to the Congress, particularly those on education and health, I have proposed measures to assist those areas of our country and those families most in need, both urban and rural.

It is not easy to equitably distribute Federal assistance to a scattered rural population. Rural communities often lack the specialized organizations found in major cities which keep informed of development programs and initiate action to make use of them. Special measures must be taken both by the States, and by Federal agencies to reach rural people, particularly in remote areas.

Since it is clear that an administrative office for each Federal agency or program cannot and should not be established in every county, a method must be developed to extend the reach of those Federal agencies and programs which should, but do not now, effectively serve rural areas.

Accordingly, I have asked:

1. Each department and agency administering a program which can benefit rural people to assure that its benefits are distributed equitably between urban and rural areas.

2. The Secretary of Agriculture and the Director of the Budget to review carefully with the head of each department or agency involved, the administrative obstacles which may stand in the way of such equitable distribution. They should propose administrative or legislative steps which can be taken to assure that equity is attained to assure full participation by rural areas.

3. The Secretary of Agriculture to put the facilities of his field offices at the disposal of all Federal agencies to assist them in making their programs effective in rural areas. The Secretary is creating within the Department of Agriculture a Rural Community Development Service, which will have no operating programs of its own but will devote its energies to assisting other agencies in extending their services. I have requested funds in the 1966 budget to finance this service and to strengthen the capacity of the Cooperative Federal-State Extension Service to assist rural communities in forming strong and active development organizations. In the meantime, I recommend that the Congress:

1. Enact legislation to equalize the availability of home mortgage credit in rural areas. This can be done by supplementing the mortgage insurance programs of the Federal Housing Administration with a rural mortgage insurance program to be administered by the Department of Agriculture. The Department has administered a direct housing loan program since 1949. But an insurance program will enable the Government to assist effectively a far greater volume of homebuilding with a minimum of budget costs. The Federal Housing Administration has initiated ac-

tion to extend the effectiveness of its insurance programs in areas where private lenders do not now fully utilize its service.

2. Increase the annual limit upon the Department of Agriculture's existing loan insurance program, which insures not only farm ownership loans but loans for community water systems and recreation development.

We have the opportunity now to provide the means by which people in rural towns and on inadequate farms can join the march toward a better life. We must seize this opportunity.

PARITY OF INCOME FOR AMERICAN AGRICULTURE

The commodity programs which were initiated 30 years ago in the administration of President Franklin D. Roosevelt have helped to create a commercially successful agriculture. I propose that these commodity programs be continued and improved.

Over the past 4 years our commodity programs have raised and sustained net farm income at an annual level nearly \$1 billion above 1960. Few activities so dramatically indicate the value to farmers of good programs well administered. Yet the consumer is the major beneficiary of farm progress. While retail food prices have risen in recent years, the prices of what the farmer sells have actually declined 15 percent since 1947-49.

Our agricultural abundance has also made possible the food stamp, school lunch, surplus food distribution, and special milk programs. These projects are essential to our needy people and to our schoolchildren.

The skill of our family farmers is not an accident. It is the product of a century of public policy aimed at improvement of our agriculture.

Research and education, credit and conservation, and price stabilization have all served us well. They have benefited all Americans, though they were designed as programs for farmers.

Progress is never free of problems. Agricultural progress has made price and income support programs increasingly necessary and increasingly difficult.

The basic need for farm programs arises from the farmer's economic isolation and his enormous capacity to produce. We have today at least 50 million acres more cropland than is required to produce all of the food and fiber that we can consume plus all we can export. Without programs to guide production, new crop surpluses would be inevitable. Even relatively small surplus can depress prices below cost of production levels.

Independent studies by university economists are unanimous in their basic conclusion: the removal of price and income supports would have a catastrophic effect upon farm income.

For three decades we have had programs which, by one means or another, have sought to achieve a balance between supply and demand. Born in the emergency of the 1930's, they have countered the income-depressing potential of the revolution in agricultural production.

Our farm programs must always be adapted to the requirements of the future. Today they should be focused more precisely on the opportunity for

parity of income for America's family farmers and lower Government costs. But we must recognize that farm programs will be necessary as long as advance in agricultural technology continues to outpace the growth of population at home and markets abroad.

We need to change much of our thinking on farm policy. Just as we do in other segments of our economy, we need to separate the social problems of rural America from the economic problems of commercial agriculture. We need to be concerned about both, but the answers to each may be different.

Our programs should—

Provide efficient family farmers an opportunity to earn parity of income;

Assist those small farmers who have little chance to enlarge their operations but whose age, physical handicap, or lack of education, prevent their shifting to other employment;

Assist those farm families who seek to enlarge their productive resources in order to obtain a decent living and have the opportunity and capacity to do so.

We must also continue to tie domestic farm policies to our international trade objectives by pricing our products for export at competitive world levels and by relating our production to the longer term demands of world markets.

Our objective must be for the farmer to get improved income out of the marketplace, with less cost to the Government.

To do this, I am asking the Secretary of Agriculture to so utilize the Commodity Credit Corporation as to make the free market system work more effectively for the farmer. We must encourage the private segment of our economy to carry its own inventories, bought from farmers, rather than depending on the Government as a source of supply. We must urge the private sector to perform as many services as possible now performed by Government agencies.

PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAMS

I recommend to the Congress that the programs now in effect for our major commodities be continued and improved.

These programs can continue to serve our objectives of increased freedom of operation, a steady improvement of incomes, a greater reliance on market forces, and lower Government costs.

Building on present programs, I recommend the following legislation:

WHEAT AND FEED GRAIN

Voluntary feed grain and wheat programs should be extended. Specific recommendations will be transmitted to the Congress which will permit the operation of these programs to be simplified and make it possible for additional crops—particularly soybeans—to be grown as needed on acreage diverted from grains.

Authority should be continued for the Secretary of Agriculture to set price support levels and to adjust other program features as conditions may require.

COTTON

The cotton program of 1964 should also be extended and improved. It is essential that cotton be competitive with other fibers and in world markets. At

the same time we must adopt measures to reduce the cost of this program and the level of stocks. Specific amendments to current legislation will be suggested to accomplish these objectives.

TOBACCO

The tobacco program must also be reappraised this year. Yield increases, higher Government costs, deterioration in quality and loss of foreign markets have weakened what has been a highly successful program.

Legislation is needed to authorize production and marketing limits on an acreage-poundage basis. Consideration should also be given to revisions in our programs which will make American tobacco more competitive in world markets.

RICE

Consideration should be given to amending the price support program for rice to support market prices at competitive world levels, and to provide additional supports for producer incomes from the proceeds of marketing certificates.

WOOL

The Wool Act which expires early next year is operating successfully to help stabilize wool production and bolster producer income. I recommend that it be extended with minor amendments which will be transmitted to the Congress.

LIVESTOCK

The sale of meat animals amounts to nearly one-third of all farm income. The stability of this vital phase of our farm economy is based on the continued stability in our feed supply.

We will continue to cooperate with livestock farmers and ranchers so as to maintain a fair price in the marketplace. We will help them to build markets here and abroad, and to preserve fair competition in the marketing of livestock and livestock products, and continue our present measures which will prevent an undue increase in imports.

OTHER COMMODITIES

Continuing study is being given to programs and needs for other agricultural commodities and appropriate changes and recommendations will be made as circumstances may require.

TRANSFER OF ACREAGE ALLOTMENTS

I recommend that acreage allotments and bases under the several production adjustment programs be made transferable by lease or sale to family farmers in the same State.

This will permit some small farmers to expand their acreage. Others who no longer wish to farm can add to their incomes by leasing or selling their allotments.

LONG-RANGE CROPLAND ADJUSTMENT PROGRAM

The annual acreage diversion and acreage allotment programs now in effect should be supplemented by a long-term cropland adjustment program.

I recommend to the Congress a program which will reduce the cost of our production adjustment efforts, assist landowners in turning their land to non-agricultural uses such as recreation and to forestry, and assist small farmers who want to do other work while remaining

in their communities. The proportion of land which could be covered by this program in any area should be limited to protect our communities.

Agriculture's excess production capacity is a long run problem. A long-term land use program can achieve a large part of the needed adjustment more effectively and with greater benefits than annual diversion programs.

This program will reduce the annual cost of other programs by more than its own cost. It will provide enduring benefits not realized under present programs.

The purposes of the cropland adjustment program will be served if much of the land is permanently removed from production. Every reason exists, therefore, for applying a contribution from this program to the cost of public purchases of cropland for recreation, for enhancement of natural beauty, for prevention of air and water pollution, or for open space purposes.

I recommend that the authorizing legislation permit funds appropriated for cropland adjustment to be used to augment moneys raised by States and local governments and those which are provided by the Federal Government through the Land and Water Conservation Fund and other programs for public land acquisition.

RESERVE STOCKS

It is time to consider our requirements for agricultural commodities in a reserve for national security, for emergency relief purposes, and for domestic economic stabilization.

The President should be authorized to determine the levels of commodity stocks required and to take actions to insulate these stocks from the market so that they might be preserved for time of emergencies.

The costs incurred in maintaining that part of our commodity stocks designated as reserves should be separated from the cost of farm price and income support programs. The Commodity Credit Corporation would continue to manage the stocks in conjunction with price-support operations.

AGRICULTURAL TRADE

The welfare of American agriculture is closely linked to foreign trade. Our 1968 goal of \$6 billion farm product exports was reached in 1964. American farmers last year accounted for one-fourth of U.S. merchandise exports.

These exports have strengthened farm prices, brought additional business income, reduced our surpluses and storage costs, and have helped our international balance of payments. Abroad, they have contributed to political stability and economic progress.

We are not content with the gains we have made in world markets. We expect to make additional gains by improving the means by which we can be competitive in price, in quality, in service to our customers. We will merchandise our products actively, but with full regard to rules of commercial conduct between friendly nations.

In the trade negotiations underway in Geneva, we shall make every effort to achieve liberalization in agricultural as well as industrial products.

WORLD PROGRESS AND PEACE

The food-for-peace program is good international policy and it is sound economic policy. Food is a powerful weapon for peace. People who are hungry are weak allies for freedom. Men with empty stomachs do not reason together.

We broadened the food-for-peace program last year and are continuing to study ways to broaden it further. Food shipments under this program help to expand it by building food habits which increase the demand for U.S. products. As the economies of recipient countries are strengthened through American aid, we are able to shift from outright grants of food to concessional sales for foreign currencies and later to sales for dollars.

Foreign currencies accruing from the sales of commodities under the food-for-peace program have also provided funds for a worldwide market development program, which has played a significant role in bringing about the dramatic increases in commercial farm exports.

This same program has also strengthened growing economies, contributed to rising standards of living, promoted international stability, and literally saved lives in many less developed countries. Our agricultural resources are thus making a significant contribution to the prospects for peace in the world.

These contributions must continue. They will be increasingly directed toward assisting agricultural development in less developed, densely populated countries, thus fostering overall economic growth, higher living standards, and better nutrition. The disturbing downward trends in food output per person in both Asia and Latin America in recent years must be reversed. And these trends can be arrested and reversed only by a massive mobilization of resources in both the food-deficit countries and the advanced countries of the industrial West.

As I pointed out in my message on foreign aid, we must use both our agricultural abundance and our technical skills in agriculture to assist the developing nations to stand on their own feet. Under our assistance programs we will make full use of the agricultural know-how in the Department of Agriculture and in the land-grant colleges and State universities. We will enlist the support and cooperation of private agencies and enterprises of all kinds.

To make this food aid most effective, we plan to gear our food-for-peace programs more specifically to the needs of recipient countries and their economic development programs. We may need more flexibility to assure proper nutritional balance in these programs, particularly as they relate to child feeding.

I am asking the Secretary of Agriculture and others concerned to study and recommend changes in agricultural policy that may be needed to accomplish these goals.

COMMISSION ON U.S. FOOD AND FIBER POLICY

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Accordingly, to assist in adapting our

farm programs to the needs of tomorrow, and in making rural America a full partner in our national economic progress, I intend to conduct a fundamental examination of the entire agriculture policy of the United States. I will reorganize the National Agricultural Advisory Commission—which has made an invaluable contribution in years past—into a new Commission on Food and Fiber. It will be broadly representative of rural communities, consumers, producers, industry, government, and the public. I expect it to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America.

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The path we follow may be long. But I am as certain of eventual success as was President Abraham Lincoln when he founded the Department of Agriculture a century ago and thus started us on the path to abundance.

LYNDON B. JOHNSON.

THE WHITE HOUSE, February 4, 1965.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The joint resolution (S.J. Res. 42) proclaiming the corn tassel as the national floral emblem of the United States, introduced by Mr. DOUGLAS, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas the Constitution of the United States provides that no person except a natural born citizen shall be eligible to the Office of President of the United States; and

Whereas a floral emblem of the United States should likewise be natural born in America; and

Whereas the corn tassel, botanically the floral element of the corn plant, was presented as a native crop to our first settlers and best symbolizes the United States—its history, traditions, health, wealth, energy, progress, and well-being: Now, therefore, be it, by the Senate and House of Representatives of the United States of America in Congress assembled,

Resolved, That the corn tassel is hereby designated as the national floral emblem of the United States, and the President is requested to declare such fact by proclamation.

APPOINTMENT TO BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

Mr. MAGNUSON. Mr. President, as chairman of the Committee on Commerce, I wish to announce that I have appointed the Senator from Alaska [Mr. BARTLETT] and the Senator from Vermont [Mr. PROUTY] as members of the Board of Visitors to the U.S. Merchant Marine Academy.

APPOINTMENT TO BOARD OF VISITORS TO COAST GUARD ACADEMY

Mr. MAGNUSON. Mr. President, as chairman of the Committee on Commerce, I wish to announce that I have appointed the Senator from Oregon [Mrs. NEUBERGER] and the Senator from Kentucky [Mr. MORTON] as members of the Board of Visitors to the U.S. Coast Guard Academy.

AMENDMENT OF SMALL BUSINESS ACT—ADDITIONAL COSPONSOR OF BILL

Mr. SPARKMAN. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 915) to amend the Small Business Act to provide for increased eligibility for and greater utilization of the displaced business disaster loan program established under section 7(b)(3) of that act, the name of the senior Senator from Alaska [Mr. BARTLETT] may be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILLS

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bills:

Authority of January 26, 1965:

S. 689. A bill to provide for periodic congressional review of Federal grants-in-aid to States and to local units of government:

Senators ERVIN, JORDAN of Idaho, and SALTONSTALL.

Authority of January 28, 1965:

S. 811. A bill to provide assistance in the development of new or improved programs to help older persons through grants to the States for community planning and services and for training, through research, development, or training project grants, and to establish within the Department of Health, Education, and Welfare an operating agency to be designated as the "Administration on Aging": Senators FONG, INOUE, MCGEE, MONDALE, and SPARKMAN.

NOTICE OF HEARINGS ON OCEAN FREIGHT RATES AND ON BARRIERS TO U.S. BEEF EXPORTS

Mr. SPARKMAN. Mr. President, I announce that the Senate Small Business Committee will hold public hearings on February 24 and 25, to explore ocean freight rate differentials and other factors which may be barriers to the exportation of U.S. beef and beef products.

Preliminary investigation by the committee has revealed that countries of the European Common Market, with their rising incomes, are experiencing a large and growing deficit in beef and meat products. The shortfall has been estimated by the Department of Agriculture at between 50,000 and 200,000 tons per year. At current prices this could amount to an annual market of between \$45 and \$170 million which is open to the American beef industry.

Since nearly all of the cattlemen, about 70 percent of the meatpackers, and a majority of the processors in the country are small businesses, U.S. entry into a market of this magnitude could be of great benefit to small business. Of course, these would be a further benefit to our economy to the extent that such exports are carried aboard American-flag ships.

We have found that the United States was in 12th place among world meat exporters in 1963, behind Australia, New Zealand, Argentina, Denmark, Ireland, the Netherlands, Poland, U.S.S.R., Yugoslavia, France, and Uruguay. This appears to the committee to be rather a minor league position for this country in view of its resources, ingenuity, and traditional trading prowess.

This posture is an even greater surprise in view of the continuing pressures upon our balance of payments and the apparent potential among expanding world populations for the sale of high-quality, healthful American beef products.

The committee's curiosity was aroused as to why virtually no American beef was exported to the European Continent during the years between the end of World War II and 1964. It has been suggested that a differential in ocean freight rates might account for the situation, since rates to Europe from certain South American countries are apparently only one-half what they are from the United States—which is actually a shorter distance. We have been informed that, if overall transportation costs could be equalized, the price differential in Europe between U.S. beef and South American beef would be cut by 50 percent, which would certainly assist the American beef industry in its efforts to be competitive. The committee plans to identify and ex-

amine carefully the relationships between these rate differentials and our position in the beef trade.

As our inquiry progresses, other unanswered questions, have been arising: What facilities exist for assessing the potential of oversea markets, including Europe, for U.S. beef and livestock products? What are the components of cost in marketing American beef products in Europe and elsewhere in the world? What fraction of these costs is accounted for by transportation and how are these costs to be analyzed? What vessels are available to transport beef products in their various forms? How does the merchant marine set their ocean freight rates, and do our regulatory agencies have adequate power to deal with them in terms of our national interest? What are the roles of the various industry associations and government agencies in promoting beef exports, and is there sufficient coordination among them?

It will be the committee's purpose to bring together the interested parties in a cooperative atmosphere, in order that we can seek answers to these questions, and in order that all concerned can contribute to a breakthrough in beef exports. The committee is planning to hear first from Secretary of Agriculture Orville Freeman. Thereafter, other Government officials and representatives of both the beef and shipping industries will testify.

It is apparent to the committee as we get underway that the effort to broaden our commercial beef market will require a concerted effort of this nature. A good deal of patience and hard work will be necessary on the part of all concerned. But the rewards seem to be worth the difficulty, and in this spirit I would emphasize that our committee desires to elicit the interest, advice, and cooperation of all persons and organizations in the country who desire to further exports of beef and beef products. Such persons and groups are urged to make themselves known to the committee, and to join us in this endeavor.

NOTICE OF HEARINGS ON NOMINATIONS OF NICHOLAS DEB. KATZENBACH TO BE ATTORNEY GENERAL, AND RAMSEY CLARK, OF TEXAS, TO BE DEPUTY ATTORNEY GENERAL

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Monday, February 8, 1965, beginning at 10:30 a.m., in room 2228, New Senate Office Building, on the following nominations:

Nicholas deB. Katzenbach, of Illinois, to be Attorney General.

Ramsey Clark, of Texas, to be Deputy Attorney General.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

NOTICE OF POSTPONEMENT OF HEARINGS

Mr. EASTLAND. Notice is hereby given that the immigration hearings scheduled to open on Monday, February

8, 1965, are postponed until Wednesday, February 10, 1965, at 10:30 a.m., room 2228, New Senate Office Building.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. BAYH:

Tribute by Ronald J. Strahl to Arsenal Technical High School, of Indianapolis, Ind.

By Mr. ROBERTSON:

Excerpt from book entitled "The President: Office and Powers," by Prof. Edward S. Corwin.

By Mr. SMATHERS:

Proclamation on celebration of 40th anniversary of the city of Hialeah, Fla.

INTERNATIONAL RECOGNITION OF THE PESO AS HARD CURRENCY

Mr. MANSFIELD. Mr. President, I have frequently discussed on the floor of the Senate the exceptional pace of economic development in Mexico, our closest neighbor to the south. My attention has been drawn to another notable milestone in this progress. I speak of the formal acceptance, by the International Monetary Fund, of the Mexican peso among the so-called hard currencies of the world. The peso now takes its place alongside the dollar, the franc, the deutsche mark, and pound sterling and certain others as a currency "acceptable without limitation in international operations." I might point out that such recognition attests to the increasing economic stability of Mexico and speaks highly for the responsibility and effectiveness of the Mexican efforts in economic development. Mexico is an outstanding example in Latin America—indeed in this hemisphere and the world—of what can be done by a nation, sincere and determined in its effort to build a modern, viable and equitable economy.

I ask unanimous consent that a brief notice to this effect, which appeared in the Washington Post of February 3, 1965, be printed in the RECORD at this point in my remarks.

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

PESO QUALIFIED BY WORLD FUND

MEXICO CITY, February 2.—The peso has been recognized as "hard" currency for the first time in Mexican history, the treasury ministry announced today.

The announcement said the International Monetary Fund has qualified the peso as "acceptable without limitation in international operations because of its solid parity to exchange."

COMMENTS ON THE PRESIDENT'S PROPOSED FARM PROGRAM

Mr. AIKEN. Mr. President, since I never hesitate to criticize where criticism is due, I feel that I should also give credit where credit is due.

Today, I want to refer to the agricultural message of President Johnson just received.

This is an excellent message.

It sets forth clearly the importance of agriculture to American consumers, to our domestic economy, and to our international relations.

The President points out accurately the present status of agriculture and the changing problems of the farmer, with particular reference to the capital required to operate an up-to-date farm.

He points out in connection with agriculture some of the obstacles that confront the rural resident and what might be done to overcome these obstacles.

No one can criticize the laudable objectives which the President sets forth.

It is true that he does not expound details in connection with his recommendations.

It would probably be unwise for him to attempt to do that in this message since details will emerge after hearings of the Agriculture Committees in the two Houses of Congress progress.

In one or two instances, the President's message is a bit inconsistent with the budget message, but I am sure that such inconsistencies will be reconciled by the Congress.

The President naturally praises the present agricultural programs and recommends their continuance.

It is noticeable, however, that while he recommends continuance of the programs, he also recommends improvement.

I realize that anyone looking for opportunity to criticize can probably find statements in this message that lend themselves to such purposes.

I personally feel that the situation of agriculture and rural America today is such that it calls for full cooperation and criticism only when such criticism may produce constructive results.

The President states:

The removal of price and income supports would have a catastrophic effect upon farm income.

I agree thoroughly with this statement and I also agree that present programs can doubtless be improved upon.

The President is on solid ground when he recommends continuance of voluntary feed grain and wheat programs.

It is doubtful if this Congress would agree to compulsory programs anyway.

The President recommends adequate reserves of farm commodities which would be insulated from the market.

I agree completely that, as a nation, we should maintain adequate reserves of food and fiber.

We will have a problem, however, in insulating such reserves so that they will not have a depressing effect upon market prices.

His statement in reference to the food-for-peace program is sound, particularly when he refers to "making rural America a full partner in our national economic progress."

This must be done if America is to progress and develop to the degree indicated by our probable needs.

Since most of our temporary agricultural programs are expiring, the Congress will have its work cut out for it to revise and strengthen the programs ap-

plicable to agriculture and the rural areas of this Nation.

The President's message provides a good launching pad from which to start.

Mr. MCGOVERN. Mr. President, I thought that the President's message on agriculture was one of the strongest farm messages and one of the best farm messages ever received by the Congress. I had that belief even before I heard the Senator from Vermont. But I am now all the more certain that the message on agriculture is a good one. The Senator from Vermont [Mr. AIKEN], is not only the ranking member of his party on the Committee on Agriculture and Forestry, but also his is one of the most respected voices on agriculture in the Nation today, and has been over a good many years.

Mr. President, the President's farm message, received by Congress today, is good news for the farmers of America. It is a firm pledge that our Government will seek to work with farmers in securing higher agricultural income, expanded markets, and a better life for rural America.

It very wisely places parity of income for the farmer on a high priority basis.

The President has also called for the establishment of a national food reserve sufficient to meet our domestic and foreign commitments that can be considered a national security reserve rather than a farm program cost.

The President's message inspires us all with its emphasis on America's food-for-peace program. In a world of hunger and distress, how thankful we should be that we are blessed with an agricultural abundance. As the President has said, we need to use that abundance to feed the hungry both at home and abroad, and we need to share the skills of our farmers in helping the developing countries to produce more effectively in their own right.

Food for peace has relieved hunger and suffering among many millions of people in the less developed countries of the world. It has not only met food needs in these countries of rising expectations but also has contributed materially toward their economic development. In many ways American food has fostered peace and international stability.

Food for peace has also been good for us. It has enabled us to make highly constructive use of our agricultural productivity. It results in exports of \$1.6 billion annually, an outlet which adds to farm income and benefits hundreds of thousands of Americans working in the processing, handling, transportation, and other services in the business community needed to export farm products. Our food-for-peace shipments under Public Law 480 have been effective in turning potential markets into actual commercial markets and thus is a substantial factor in U.S. agricultural exports for dollars of \$4.5 billion annually.

I commend the commitment of the administration to expand the food-for-peace program and to study ways and means of gearing it to meet more effectively the food and nutritional needs of emerging countries and to utilize food aid to develop indigenous agricultural re-

sources in these countries. I am confident we will find better ways to coordinate the food-for-peace program and our agricultural technical assistance program so as to speed the day when the developing countries are better able to help themselves. This will promote peace and prosperity among all of us.

Food aid over the past 10 years has totaled more than 100 million tons of exports including 3 billion bushels of wheat, 100 million bags of rice, 6 billion pounds of vegetable oil, and large quantities of feed grains, dairy products, cotton, tobacco, and other farm products.

Mr. President, this message is not only good news for farmers; it is good news for the Nation as a whole, because it balances the interests of farmers with those of consumers and taxpayers. This is one of the most balanced and most thoughtfully constructed Presidential farm messages ever sent to Congress.

As the principal author of the voluntary wheat bill now on the statute books, I am pleased that the President has called in his message for that program not only to be continued but to be strengthened and improved. I now have pending before the Senate legislation designed to raise the income features of the voluntary wheat plan. I think it is in line with the guidelines of the President's farm message.

I am grateful, too, that the feed grain programs and other commodity price support programs now on the books will be strengthened and improved if the President's message is heeded by the Congress.

Mr. President, rural America is in serious difficulty today. Farmers still receive only half the per capita income of the national average. We can't say that our farmers are inefficient when they fail to make a living with a farm parity level at 75 percent of a fair price. No businessman can survive at 75 percent of a fair price. Neither can farmers.

This is a serious problem for the Nation, not for farmers alone. As economist Leon Keyserling reminded us in his letter to the Washington Post of this week, one-half of the Nation's unemployment stems from the exodus of farm people from the land. The loss of farmers from the land, as the President has said, means boarded up storefronts, dark churches, and depleted schools.

Thank God for a President and a Vice President who have grown up in rural America, and who now point the way toward a better life for our farm citizens.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by Herschel D. Newsom, master of the National Grange, in which he has commended the President's message.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HERSCHEL D. NEWSOM, MASTER, NATIONAL GRANGE, ON THE PRESIDENT'S FARM MESSAGE, FEBRUARY 4, 1965

The Grange is pleased with the President's message and the legislative recommendations it contains.

His clear recognition of the dual problems of low farm income and low nonfarm purchasing power in rural America is a basic understanding which is necessary for the proper solution of these problems.

The Grange welcomes the President's endorsement of existing commodity programs. We will vigorously support legislative efforts to extend and modify this legislation to maintain and improve farm income, reduce Government holdings, and prevent or reduce further accumulation of these commodities in Government hands.

We have made great progress in the last 2 years in establishing a direction toward these objectives in wheat, cotton, and feed-grain programs. To the extent we may be successful in our continued efforts to improve farm income through reliance on the primary American domestic market, and thus able to eliminate or reduce the direct price-support programs, the Grange will be prepared at a later date to support lower appropriations.

We will continue to support the present levels until substantial progress is made in this direction.

President Johnson's proposal to establish minimum national food reserves is in accordance with longstanding Grange policy, and we heartily endorse it.

RURAL ELECTRIFICATION NEEDS OF TOMORROW

Mr. McGOVERN. Mr. President, the recent annual meeting of the National Rural Electric Cooperative Association in Miami was especially significant because it focused attention on the future needs of our farm families and the growth of the rural cooperatives which serve them.

In an address to the NRECA audience, Norman Clapp, the distinguished Administrator of the Rural Electrification Administration, correctly stated that the Great Society must include all Americans. No great society can be achieved without good farms as well as great cities, without fair income for our farmers as well as for businessmen on Main Street. The rural electric cooperative movement has contributed beyond measure to the improvement of rural America. As Mr. Clapp has said in his superb address, that movement has an even greater and more exciting role to play in the years ahead.

I ask unanimous consent that Mr. Clapp's highly significant address be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

IS OUR PROGRAM ADEQUATE TO MEET THE NEEDS OF TOMORROW?

(Remarks of Norman M. Clapp, Administrator, Rural Electrification Administration, before the 23d annual meeting of the National Rural Electric Cooperative Association, Miami Beach, Fla., January 26, 1965)

I am pleased to be with you again at your great national annual meeting. It is always

an inspiration. To even the casual observer, the sheer size of this meeting is impressive in representing as it does the extent and magnitude of rural electrification in America. However, even more impressive to those who know the character of your deliberations is the serious purpose they always demonstrate. Eight thousand strong here today, you represent the interests of over 5 million consumers served by nearly 1,000 rural electric systems. Although the cooperatives you serve and represent are private enterprise, you are engaged in a great public service to rural America. You have accomplished great things in the past, and the Nation looks to you to accomplish even greater things in the future.

The rural electrification program developed by your joint efforts with your Federal Government through the Rural Electrification Administration passes its 30th anniversary this year. In those 30 years it can be given major credit for unlocking the door to rural America's true potential—both for better living and greater economic development and opportunity.

But as the theme of your conference indicates, you are concerned here today not with yesterday but tomorrow. You are undertaking today the consideration of decisions necessary to prepare for the problems of tomorrow. It is in this spirit that I come to speak to you this afternoon.

As we attempt to look into the future and anticipate what it may require of us in this program of rural electrification, we must face a fundamental question. Is the rural electrification program as we know it today going to be adequate to the needs of tomorrow?

Will it be adequate to match the purposes of the Great Society?

Will it be able to meet the needs of a rapidly growing America?

Will it be able to keep rural America in step with the march of technology in the electric industry?

President Johnson has spoken eloquently of the Great Society which he sees in America's future destiny. It will be a society of liberty and justice. It will be a society free of want and full of opportunity. It will be a society, however, not merely of material goals but of spiritual and cultural values.

Above all, it will be a society of all America and for all Americans. It must include rural America. It must be a society of good farms as well as great cities. The foundations on Main Street must be as sound as those of Wall Street. Quality of life and opportunity for progress must be as widely attainable on the farms and in our rural communities as they are in urban communities, for there can be no truly great society if rural America is left behind.

Achievement of the purposes of the Great Society will require a very real parity of opportunity for rural people, for people making their living on the farm, for people in need of off-the-farm rural employment, and for those who have been caught in the hopeless cycle of persistent poverty. It is a cruel but inescapable fact that while only one-third of all Americans live in the country today, half of the Nation's poverty is in the rural areas.

We cannot boast of urban prosperity while there is rural depression; we cannot be confident of our Nation's economic strength while there is weakness in the rural sector.

The attainment of the goals which the President has set for us will require the best efforts of all patriotic Americans, but it poses particularly stern challenges for leaders in rural areas. For as we know, from the days of privation for the early pioneers to the present day, rural people have labored

under special handicaps. Always there has been the handicap of isolation—insolation from one another, from centers of information and culture, from centers of trade and opportunity, and from sources of capital for growth and advancement.

As our modern industrial civilization has developed, bringing with it great increases in material wealth to our society as a whole and making possible higher living standards and greater comforts and conveniences, these rural handicaps have never been more dramatically demonstrated than in the struggle to bring the blessings of electricity to rural people and their communities.

Today the initial phase of the task of rural electrification, that of reaching rural people with the physical facilities of service, is being successfully accomplished. Thanks in large measure to the efforts of you people here, electricity is available now in all parts of rural America to help us get started in building the Great Society. But there still remains before us the continuing challenge of making electric service—and telephone service as well—available under conditions of parity.

In examining the roles to be played by rural electric cooperatives in bringing about the Great Society in America, there is, it seems to me, no challenge so urgent, so demanding, as this need to achieve parity of rural rates and service with urban rates and service.

Too many rural sectors in the United States have been held back from the fast pace of economic development in this country by the high cost of such essential services as electric power or the lack of availability of modern telephone service. If rural America is to participate fully in our future economic growth, if rural people are to share in full measure in the kind of abundant society envisioned by our President, it is imperative that these utility services be provided to rural people under terms and conditions comparable to those available to people living in our towns and cities. For parity electric service, and parity telephone service as well, are not only essential to the achievement of better living standards in rural areas, but they are also essential tools for commercial and industrial development. They are basic to the development of equal economic opportunity in rural America.

The critical importance of electric power to economic growth and the close relationship between economic growth and the need for expanded electric facilities require us to take a long hard look at the capital resources which may be available for the expansion of rural electric facilities in the years ahead.

We know that the capital requirements of REA-financed systems will increase enormously in the years ahead. The best estimates available to us indicate that between now and the end of 1980, all of the electric systems of America—cooperative, commercial and public—will require more than \$140 billion of new capital for expanded plant facilities to meet the growing demand for service. The capital requirements in the year 1980 alone for the American electric industry may reach the high figure of \$13.7 billion.

And what will be the rural share of this tremendous capital demand? We estimate that REA borrower systems may need as much as \$8.1 billion in new capital between now and the end of 1980, and that the requirements during the year 1980 may reach the figure of \$675 million.

This capital will be needed for a number of rural system purposes. First, it will be needed to provide facilities for new consumers, presently being added to REA borrower lines at the net rate of about 125,000 per year. Capital also will be needed to provide the additional facilities needed for system improvements and to provide increased capacity to carry the expanding loads of present consumers. During the last decade, the average use of electricity among rural resi-

dential consumers—including both farm and nonfarm population, has risen from 223 kilowatt-hours per month to 425 kilowatt-hours per month.

Additional future capital also will be needed to cover the higher costs of plant replacements, resulting not only from the general increase in price levels, but also because of the higher unit cost of making replacements at various locations in a system's area, as compared with the unit cost of initial, down-the-road construction. The installed cost of the replacement unit, particularly with respect to the poles, towers, and fixtures which make up nearly 35 percent of distribution plant investment, is likely to be several times the installed cost of the pole being removed from service.

And beyond this, there will be the capital needed for new and expanded generation and transmission facilities.

Over the past history of the REA program, the annual increments of new capital made available to the rural systems through REA have averaged \$208.5 million. The low year was fiscal year 1943 when only \$10 million was authorized by the Federal Government for electric loans. The high year was fiscal year 1950 when the Congress authorized a total electric program of \$500 million. The authorization for the present fiscal year is \$365 million, including a \$90 million reserve authorization. These figures, while impressive and important, nevertheless fall short of the \$600 to \$700 million level which future needs may well require.

When we look to tomorrow's needs and try to appraise the adequacy of today's capital financing available to rural electrification, we face more than the problem of total dollars required. We face, too, the problem of historical restrictions on the use of present REA financing.

The basic 2-percent financing now authorized under section 4 of the Rural Electrification Act is strictly limited to the financing of facilities "for the furnishing of electric energy to persons in rural areas who are not receiving central station service." Under this authority, the Administrator of REA has been able to finance not only facilities for the initial and sole service of persons who fit this description, but also subsequent facilities for expanded service to such defined beneficiaries of the act and even facilities which do in fact provide some incidental service or benefit to others. All this has been essential to an effective and feasible program and the development of rural system efficiencies, as the pooling of facilities among power systems has become more and more a requirement of sound utility operation.

But even with the eminently reasonable and fully legal interpretation of this authority which has made these adjustments possible, REA practice has been confined to certain limits which are now running head on into the need for still greater flexibility if rural systems are to achieve the major economies offered by the industry's advancing technology.

Most dramatic of these economies is the economy of large thermal generating units, backed by the new capabilities of extra-high-voltage transmission.

It was less than 7 years ago that REA made its first loan for a 100,000-kilowatt, single-unit generating plant. It was as recently as last October that REA made the first loan to finance a 300,000-kilowatt single-unit plant, the largest we have financed to date. Yet we know that as industry standards go today, these are not exceptionally large units, and it takes no prophet to foresee that by 1980, 1-million-kilowatt plants will be commonplace in the United States. The industry already is considering the savings available from mammoth steamplants burning fossil fuels with capacities of 1.5 million or 2 million kilowatts. Also by 1980, it is

anticipated that large nuclear plants will account for an important share—some predict 13 percent—of the Nation's installed generating capacity of about 525 million kilowatts.

Before World War II, the largest transmission line in use in this country was a 287-kilovolt line from Boulder Dam. It was about 20 years before any higher voltage lines were built. Then in the early 1950's both a power company and a Federal agency built the first 345-kilovolt lines. With the development of those first extra-high-voltage lines, many in the industry began to experiment with EHV, and both manufacturers and utilities undertook tests of materials, lines, and stations on lines up to 750 kilovolts.

Today these exhaustive tests have proved the practicality of 500-kilovolt transmission, not just on a line or two, but throughout a whole operating system. Two commercial companies already have built 500-kilovolt systems and TVA has one under construction, which will connect its system with the Southwest Power Pool.

But this is only the beginning of the EHV story. One commercial utility already is projecting the use of 700-kilovolt lines as a backbone for a 345-kilovolt system, and 1,000-kilovolt lines are being discussed by industry people as a possibility by 1975 or 1980.

As a result of this march of technology, the American electric industry is talking about the construction of extra-high-voltage transmission systems which will interconnect all the electric suppliers of the Nation. Now interconnection is nothing new to rural electric cooperatives. Today virtually all REA-financed plants are interconnected in some way with other facilities. From the initial provision of emergency interconnection for standby purposes and exchange of economy energy, substantially all of your systems have achieved in some degree joint use of facilities through parallel operation involving an interconnected transmission systems.

But the tide of technology is sweeping your systems into a new phase, a phase which will require far greater emphasis on pooling of resources, not only among cooperatives but with other utility systems, both public and private. We are going to have to look beyond local patterns to regional and even interregional power supply patterns.

The kind of large-scale interconnection and pooling being envisioned by the electric industry today would produce enormous benefits for rural electric cooperatives and their consumers. It would permit construction of larger and more economic generating units, and transmission of bulk power from generating sources to major load centers.

It would make possible savings in fuel transportation costs in mass shipments of energy, such as our borrowers will experience in the lignite fields of North Dakota.

It would allow the location of large steamplants in the less heavily populated areas to alleviate air pollution problems in the large urban centers, a benefit with important implications for your rural systems.

It would reduce the reserve requirements of individual systems and provide further savings by permitting seasonal exchange of capacity between areas with opposing summer and winter peaks. And, among a number of other benefits, it would allow more efficient use of hydroelectric plants for peaking purposes.

But while the benefits of low-cost power through interconnection and pooling and large-scale generation are clear to the industry observer, it is not so clear how, under the present terms of the Rural Electrification Act, the rural electric systems can share in these benefits. We know that a rural electric cooperative cannot hope to compete with a 1-million-kilowatt unit with its own 22,000-kilowatt unit, but it is just as true that to

justify construction of a 1-million-kilowatt plant with 2 percent REA financing and the restrictions it entails may be beyond the present capabilities of REA borrower systems.

Under present restrictions it took 76 cooperatives in 6 States, with the special good fortune to have available a 4,000-mile transmission system of the Federal Government, to put together sufficient load requirements to justify the 200-megawatt generating plant now under construction by Basin Electric Power Cooperative.

The 615-megawatt generating plant proposed by Buckeye Electric Cooperative in Ohio could not be financed by REA under present policy limitations, which require that capacity be absorbed by beneficiaries of the Rural Electrification Act within 10 years. The Buckeye plant would not be fully utilized for service to its own members for approximately 17 years, according to present load projections. Yet the economies of generating units of this size are great, and there is a ready market for the power until such time as it is needed for Buckeye's members.

The same kind of problem must be faced in EHV transmission and large interconnections and regional power pools. Under the present REA financing pattern, it is much more difficult for electric cooperatives to borrow REA funds to enter into such arrangements with other suppliers than it is to use REA funds for systems which borrowers operate entirely by themselves.

We have reached a point in the development of electric technology and of the rural electrification program when the restrictions which the act places upon the basic 2 percent financing makes it difficult for rural systems to move apace with the industry. REA borrowers today require capital that is available under fewer restrictions to permit them greater flexibility in making power supply arrangements. This increased flexibility is absolutely essential to the future strength and development of REA-financed systems and to the achievement of parity of rates and services for rural people with city people. So, as we look ahead today toward the needs of tomorrow, these are the problems we face.

The present basic REA financing at 2 percent interest has been and still is an essential equalizer to bring parity of electric service within the reach of most rural communities served by REA-financed systems.

This basic program must be preserved and continued to the full extent it is needed to accomplish area coverage, provide rural parity rates and service, and develop proper system reserves to assure sound business operation and offer the rural people served reasonable assurance of stable and reliable service for the future.

But this alone will not be enough. There will be need for capital above and beyond these basic requirements. And the question we face is how can it be secured in adequate amounts and under terms fitted to the needs of future operations.

Your association a year ago undertook a study to determine if rural electric systems would be able to meet these needs for additional financing from the private money market. You are to be commended both for your foresight and for your insistence on getting the facts before making any judgment. This study is still in progress.

At the same time I told you that we in REA proposed to study the possibility of developing a new type of intermediate REA financing to supplement the present basic 2-percent financing. Such intermediate financing would, on the one hand, be freed from some of the restrictions placed upon the present basic REA financing and, on the other hand, return a rate of interest which would be fully compensatory to the Federal Government for the cost of its money.

Such intermediate financing would supplement, not replace, the basic 2-percent financ-

ing, where the basic financing is needed to accomplish the basic objectives of rural service.

As I pointed out a year ago, if this intermediate financing is made fully compensatory to the Federal Government by means of a higher interest rate, the Federal Government could in turn more easily make such loans available in the greater volume necessary to meet the needs of the future. It could afford also to make such financing available on a less restrictive basis.

While we all await the results of your study on the availability of private financing to meet your future needs before forming any final judgment, I am confident any realistic appraisal of the prospects at this point must be deeply concerned with at least two major obstacles to the attraction of private capital.

One is the substantially lower owner equity in most rural systems than is customary in the commercial electric utility industry.

The other is the lack of territorial protection for rural systems in most States.

Until these two deficiencies can be corrected, the prospects for any substantial financing from the private money market would appear very limited at best.

As a practical matter the intermediate financing such as we have been studying in REA may prove to be a very necessary bridge between the present basic REA financing and your ultimate access to the private money market on favorable terms.

It is with this in mind that I have suggested it would be advisable for you of NRECA as well as us in REA to study the possibility of supplemental public sources of financing for rural electrification. And we welcome the decision of your board of directors announced yesterday to expand your present study to cover this field of potential financing. Let us not forget it is you as well as we who face the necessity of decision on the future course of this program.

Together we must move to meet the needs of a growing America. To you falls the challenge of leadership in rural America. With you will rest a great responsibility for its ultimate place in the Great Society. The challenge is great, and the time for action not long. To be ready for tomorrow, we must begin today.

THE PRESIDENT RECOGNIZES CONSUMER NEEDS

Mr. BARTLETT. Mr. President, I am happy that the President in his farm message to Congress has given top priority to the objective of an abundance of food and fiber at reasonable and stable prices for the people of the United States.

This surely is of the utmost importance to all 191 million people of America who are the consumers of the food and fiber produced by some 6 million workers on 3½ million farms.

By stabilizing agricultural production and farm prices, this administration also has been stabilizing the prices paid by consumers in the retail stores across this Nation.

Today the American consumer has available the cleanest, most wholesome, most varied and abundant food supply of all time. On the average, U.S. consumers spend less than 19 percent of their income after taxes for food. This compares with 30 percent in England and France, and with 50 percent in Russia.

As the President noted in his message, the consumer is the major beneficiary of farm programs because of the abundance of food and fiber the farmer is producing at stable prices.

Our agricultural abundance, as the President pointed out, has also made possible the food stamp, school lunch, surplus food distribution, and special milk programs so essential and so beneficial to our needy people and to our schoolchildren.

The President is to be commended for the careful attention that is being paid to meeting the consumer needs of our Nation in the farm program he has outlined to Congress.

THE PRESIDENT'S MESSAGE ON AGRICULTURE

Mr. SPARKMAN. Mr. President, I have been pleased to hear the comments on the President's farm program. I second the suggestion made by the distinguished Senator from South Dakota in his remarks regarding the distinguished senior Senator from Vermont [Mr. ARKEN]. I am always pleased to hear the comments of the Senator from Vermont on agricultural matters, because there is no finer expert or greater authority on agriculture matters than he. I was pleased to hear him open this discussion on the President's message.

While I have not had occasion to study the message in full detail, it impresses me as a fine and strong message. In it, the President has faced up in a sincere and realistic manner to the problems and potentials of rural America. He has exploded a myth that has endured far too long—the myth that, like all men, all farms are created equal. They are not. Opportunities for earning good livings are not the same on every farm. Our acceptance of that fact will enable us to put more muscle and more heart into legislation and programs for rural America.

The message recognizes that rural America's unemployment and underemployment are not wholly related to farms, by pointing out that changes in mining and lumbering industries have also cut into traditional earning opportunities in rural sections of the country.

I am particularly pleased with the President's determination to make the services and benefits of the entire package of new economic opportunity, education, and health legislation as fully available to rural people as to those in our cities. Oftentimes, I have seen programs enacted that gave only scant notice to the needs of rural America. I have pointed that out many times in connection with housing programs. It was always easy to get a program through for people who lived in urban areas; but when we tried to obtain a program for people who lived on the farms, a program that those people could handle, our efforts became most difficult. Even today, we do not give the emphasis to the needs of housing in the rural parts of our country that we give to the needs in urban areas. That is true of so many programs.

I particularly wish to emphasize the part of the President's message in which he points out the need to have rural areas share these programs with urban areas.

The President has accepted for the administration, and has given to Congress, some vital challenges. He has, in this message, offered to Congress and the people well-considered guidance. I anticipate purposeful response to the challenges, and utilization of the guidance.

I know that careful consideration of the message will be given by the Senate Committee on Agriculture, one of our most able committees. The same thing will happen in the House. I know that careful consideration will be given to the President's agricultural proposals by both Houses of Congress. I feel that the chances for the passage of a truly good agricultural bill by Congress are good.

THE PRESIDENT REITERATES SUPPORT OF THE GATT NEGOTIATIONS

Mr. GORE. Mr. President, stressing the important role which an expansion of agricultural exports can have in improving the income of American farmers, the President's farm message restates and emphasizes the need for a successful Kennedy round of negotiation under the General Agreement on Tariffs and Trade. These negotiations, which are now in progress in Geneva can, if concluded successfully, mean substantial increases in our exports of feed grains, tobacco, soybeans, certain fruit and livestock products, wheat and other important commodities. Our farmers may reasonably expect an increase of several hundred million dollars in annual export sales if the trade liberalization we are striving to obtain is achieved. Such trade liberalization also is a major avenue of achieving sound economic growth among nations generally as each will profit from expanded trade through broader markets and more economical supplies.

The President also underscored the importance of accomplishing liberalized terms of trade for both farm and industrial products and not just industrial products alone as some of the nations at Geneva would prefer to do.

These views of the President reiterate those of the Congress as expressed in enacting the Trade Expansion Act of 1962 authorizing U.S. participation in the negotiations now in progress. The enunciation of this policy by the President will strengthen our position in the current negotiations and augurs well for the further realization of this important component in our international policy.

At one time, a few years ago, I was a delegate representing the Senate as an observer to the General Agreement on Tariffs and Trade. Therefore, I know with what diligence and care negotiations are pursued, and how difficult it is to achieve the goals which we, or any other particular nation, desire.

Nevertheless, by persistence and by placing high principles in the forefront, I believe we can achieve these goals.

FEDERAL POWER AND THE KEATING PROVISIO

Mr. METCALF. Mr. President, the Keating proviso in all our Public Works

Appropriations Acts since the fiscal year 1952 has resulted in millions of dollars of excessive charges for wheeling Federal power. This requirement completely disregards the economics of transmission costs. Although the Keating proviso was again incorporated in the 1965 Public Works Appropriations Act, the Senate Appropriations Committee stated in its report that no wheeling contracts should be made by the Interior Department "which call for wheeling charges greater than Federal costs for such service, or which do not provide to the Department wheeling capacity in the lines to meet its full requirements." This statement was a partial recognition of the need for economic comparison of wheeling charges as against the costs of direct service. This rigid statutory restriction should no longer prevent the search for the lowest possible electric power costs for the consumer. The Keating proviso should be eliminated.

On February 2, 1965, the Honorable JOHN E. MOSS, Member of the House of Representatives from the Third District of California, spoke to this point before a panel of the American Public Power Association, meeting in Washington, D.C.

I ask unanimous consent that excerpts from his statement be printed in the RECORD; and I commend the statement to the attention of Members of the Senate.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

REPEAL OF THE KEATING PROVISIO

(Excerpts from remarks of Representative JOHN E. MOSS, Third District, California, at panel discussion of American Public Power Association, in Washington, D.C., on February 2, 1965)

The Keating proviso in the Public Works Appropriation Acts has resulted in millions of dollars of excessive charges for wheeling Federal power. These excessive charges have been borne not only by the Federal Government but also by the consumers of publicly generated power.

The Keating proviso was first adopted during the Korean war emergency in the Interior Department Appropriation Act for fiscal year 1952 (65 Stat. 248, 255). Since that time it has appeared in every Bureau of Reclamation appropriation for construction and rehabilitation and is now in the Public Works Appropriation Act for fiscal year 1965. (Public Law 88-511, 78 Stat. 682, 686.)

The language of the Keating proviso is as follows: "Provided, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer."

Those who proposed the proviso contended that it would avoid duplication of transmission facilities in order to achieve savings of Federal funds and critical materials needed for the defense effort in the Korean war emergency. The principal proponent of the proviso, former Congressman (and later Senator) Keating, of New York, repeatedly stated that it would prevent the Bureau of Reclamation from constructing transmission

lines only where the wheeling service provided by existing utility lines was adequate and at a reasonable rate.

Unfortunately, the language of the proviso is framed in terms of "areas covered by power wheeling service contracts." Once the Bureau has entered a wheeling contract, the entire area covered by the contract is subjected to the prohibition of the Keating proviso, without regard to whether the wheeling service is adequate, or whether the wheeling costs are reasonable, or whether they exceed the costs of direct transmission service.

The Keating proviso is a politically motivated requirement which disregarded the economics of transmission costs. Its absurd rigidities were exemplified when it obstructed the Bureau's proposal to construct a line from Keswick to Toyon to provide electric service to the Shasta Dam Area Public Utilities District in California. Another example of its harmful effect was the recent decision by the Comptroller General holding that the Keating proviso precludes the Bureau's effort to provide a substation needed to transmit Government power to the city of Hillsboro, N. Dak. In all of these cases, the negative role of the proviso operated without regard to the excessive costs or the inadequacies of the wheeling contract covering the area.

The hearings in 1960 by the Special Power and Land Subcommittee concerning sale and transmission of electric power from the Bureau of Reclamation project in California thoroughly demonstrated the extent of these excessive costs on both the Federal Government and its preference customers.

For example, in the case of one of the Bureau's preference customers, the Shasta Dam Area PUD, the engineering data presented at the hearings demonstrated, on the basis of a mere 8,000-kilowatt load, that if Government power were delivered to the PUD by direct service instead of by wheeling, the Federal Government would save almost \$3 million in wheeling charges, and the PUD would save almost \$6 million in wheeling charges, beyond the total cost of a federally constructed line during its useful life. In the case of another preference customer, the city of Redding, Calif., on the basis of its 1960 load alone, the direct transmission of power instead of by wheeling would save the city \$5 million, and would save the Bureau of Reclamation even more than \$5 million, in 30 years.

In the case of the city of Roseville, on the basis of a 15,000-kilowatt load, the Government's savings would amount to almost \$10 million, and the city's savings would amount to almost \$11½ million, over a 50-year period, if GVP power were delivered to the city directly, instead of by wheeling over private power lines.

In the case of larger loads, the cost differences could be much greater. For example, the hearings demonstrated that by constructing a direct service line of about 8 miles the Sacramento Municipal Utility District enabled the Bureau of Reclamation to achieve savings, over the payout period of the Central Valley project (i.e., to July 1, 2013), amounting to the staggering sum of \$205,401,520.30.

Although the Congress has, from time to time, specifically authorized the Bureau to construct transmission lines notwithstanding the existence of the Keating proviso, the proviso has nevertheless exerted a totally negative influence, not only on the Federal power program, but also on the ability of both public agencies and preference customers to obtain lower costs for transmission of federally generated power. The Keating proviso establishes a legislative tone looking toward rejection of necessary transmission facilities. It has undoubtedly caused the Bureau of Reclamation in many cases to refrain from proposing construction of needed and more economical transmission facilities.

For these reasons, the House Committee on Government Operations concluded (in H. Rept. No. 2221, 86th Cong.) that the proviso "has resulted, in many cases, in substantially increasing, rather than decreasing the costs of power transmission, both to the Government and to the preference customers." The committee pointed out that the proviso has undercut the bargaining power of Government agencies, "has gravely impaired the Government's ability to achieve the lowest possible costs for the transmission of federally generated power," and has substantially deterred the Government "from taking into account the comparative costs of wheeling versus direct transmission service in determining whether to recommend Federal construction of transmission facilities."

The committee's report put the issue in a nutshell when it stated: "Much economy could be achieved by eliminating that proviso, or by amending it so as to prohibit the Bureau from expending appropriated funds to construct power transmission facilities only where the Bureau shows that the cost of adequate wheeling would be less than the cost of amortizing and operating a federally constructed transmission facility over the life of such facility."

The power companies have continuously lobbied for retention of the Keating proviso and its language of area coverage. They have consistently opposed any modification which would permit a comparison of the wheeling costs in relation to the costs of amortizing and operating a direct transmission facility over its useful life.

Although the Keating proviso was again incorporated in the 1965 Public Works Appropriation Act (Public Law 88-511, 78 Stat. 682, 686), it is heartening to note that when the Senate Appropriations Committee reported the appropriation bill, it stated that no wheeling contracts should be made by the Interior Department "which call for wheeling charges greater than Federal costs for such service, or which do not provide to the department wheeling capacity in the lines to meet its full requirements." (S. Rept. No. 1326, 88th Cong., p. 37.)

This statement by the Senate Appropriations Committee is a partial recognition of the need for economic comparison of wheeling charges as against the costs of direct service. The Congress showed a similar recognition of this need when Congress, in authorizing the San Luis unit of the Central Valley project (act of June 30, 1960, 74 Stat. 156, Public Law 86-488), included a provision for an economic comparison of direct service facilities and wheeling charges under a firm 50-year contract.

I want to emphasize, however, that such economic comparison must take into account the cost of the wheeling charges not only to the Federal Government but also those imposed on the preference customer. Many wheeling contracts provide for wheeling charges which are paid in part by the Government and in part by the customer. A comparison of direct service costs and wheeling charges to the Government alone would be totally unrealistic since it would not prevent imposition of unnecessary charges on the consuming public.

The recent National Power Survey by the Federal Power Commission highlighting the importance of adequate transmission facilities and the potentialities for reduced electric power rates has made the repeal of the Keating proviso more urgent than ever. We should not permit this arbitrary and rigid statutory restriction to prevent the search for, and attainment of, the lowest possible costs of electric power for the Nation's consumers. The time has come to mount a full attack on that proviso.

A FOUNDATION FOR STRENGTHENED FARM PROGRAMS

Mr. METCALF. Mr. President, the message on agriculture which President Johnson sent to Congress today is a message from a President who reveals his understanding of agriculture, his knowledge of rural America, and his willingness to set forth ideas and programs which will lead to a brighter future for those Americans who live outside our large cities.

I was particularly concerned with that section of the message dealing with programs for the important agricultural commodities of wheat and feed grains as well as cotton, tobacco, wool, and others.

Congress must deal with the programs relating to these important farm products this year and the President has given us his views and his guidance and his proposals for our consideration.

In addition, he has provided to the farmers of the country who grow these products the chance to build on the current successes of agriculture, toward a strengthened farm economy.

There has been uncertainty in the minds of many farmers as to whether some of these programs may be continued and what the administration will propose if they are to be continued. The President has recommended continuation of the farm programs along their lines, suggesting that some changes may be needed to strengthen them and to keep their costs at a minimum. This would provide for the farmers a continuation in their thinking and planning and, as all of us who know agriculture know, this is most important.

The future can be bright in rural America.

ROBERT T. KIRKWOOD, ARKANSAS TEACHER OF THE YEAR

Mr. McCLELLAN. Mr. President, Mr. Bob Kirkwood, head of the science department of the Pine Bluff, Ark., High School, was recently selected as Arkansas Teacher of the Year of 1965. I join his multitude of friends and admirers in extending to him warmest congratulations and very best wishes. This is a fine and well-deserved honor for one of Arkansas' many able and dedicated teachers who have given unstintingly of his time and energies to the education of the youth of our State. His career should serve as an inspiration to the thousands of other loyal and competent teachers who staff the public schools of Arkansas and the other States of the Nation.

Mr. Kirkwood graduated in 1947 from the University of Missouri, with a B.A. in Zoology. He taught for a time in Humphrey, Ark.; later, he was principal of Altheimer, Ark., High School; and, in 1960, he became head of the science department of Pine Bluff High School. He earned his master of science degree in education, and his master of arts degree in zoology from the University of Arkansas.

In honoring Mr. Kirkwood, we also honor the many, many dedicated teach-

ers who do the indispensable job of educating our youth. We must have an educated citizenry if we are to cope with the complex problems and to meet the responsibilities of our time. We are dependent upon the teaching profession for the task of building such an educated citizenry.

Again, I extend my congratulations to Bob Kirkwood, and I also give him my thanks for his service to the fine young people of Arkansas in their pursuit of an education.

I ask unanimous consent to have Mr. Kirkwood's statement on the "Philosophy of Teaching" printed in the RECORD. All of us would profit, I think, from reading and pondering his statement.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

PHILOSOPHY OF TEACHING

(By Robert T. Kirkwood)

My task is to lead each student to confront his universe and to equip him to enjoy and to benefit from the confrontation. I must first convince the student that the encounter is desirable, that the attainment of knowledge adds to life a dimension that cannot be gained in any other way. I must also convince the student that he may safely risk himself to the encounter. Learning may change his self, but the change will always be constructive, will always lead to the development of a larger self.

Before I can lead another individual to examine the universe in which he lives, I must engage actively in the same examination. I must continue to study all facets of life, not just the one subject matter area that I teach. If I am to convince students that involvement in life is a rewarding experience, I must listen to more music, read more books, examine more art, study more natural history, and seek to know more people.

As I encourage students to grow by learning I must be extremely careful that I do nothing to diminish anyone in his own eyes. Although a student may understand all mysteries and may have all knowledge, if he does not care for himself, he is nothing.

Finally, I must be sure that each student learns that the acquisition of knowledge carries with it responsibilities. Because learning is a social activity, the one who learns has social responsibilities. Each must make what contribution he can for the benefit of all.

A MESSAGE FOR ALL AMERICANS

Mr. HARRIS. Mr. President, the President's message on agriculture is a purposeful and challenging explanation of where we are and where we should go with our food and agriculture policies and programs.

It merits the attention of every American, whether he lives in the heart of a city, in a country town, or on a farm.

I am impressed by its recognition that food and agriculture policies affect the entire economy, and its emphasis on the interrelationship of agricultural policies to other aspects of the Nation's economy and to foreign policy.

The President's clear-cut identification and definition of the economic and social problems of rural America will be most helpful to Congress in constructing reme-

dial legislation, and in making any necessary improvements in existing laws related to food and agriculture and to rural community development.

It is a realistic message. It does not attempt to minimize either the volume or the variety of the tasks which lie ahead in bringing rural America into full Great Society membership and partnership. Yet the message is laced with confidence in the people, and the future, of rural America.

I am confident that we in the Congress will have ideas of our own, which, I trust, can, together with those expressed by the President, be worked out to produce the best program for America and for rural America. But I am glad to say that I believe the program as expressed in the President's message is a solid launching pad of opportunity for study by all and for constructive action by the people and the Government.

A MESSAGE FOR EVERYONE

Mr. SYMINGTON. Mr. President, I hope every farm family in the Nation reads President Johnson's message on agriculture.

It contains one of the finest tributes ever paid to the producers of the Nation's food and fiber, and demonstrates deep appreciation for their contributions to the total well-being of our society.

I hope every consumer in the Nation reads it, too, for a better understanding of how much our farmers contribute to his health and economic security.

It is an honest appraisal of today's agriculture and the rural American scene.

The message lays out guidelines which, if followed, will strengthen the economic and social foundations of farms and rural communities.

It leaves no doubt about the President's determination to provide rural America with every opportunity to achieve full-citizenship in the Great Society.

It is a thoughtful message, informative, marked with challenge, and well seasoned with inspiration and confidence.

I look forward to assisting with implementation of the President's proposals.

Mr. President, may I say also that I am very glad that this reassurance can be given to people of agriculture. There have been rumors around Washington, unfounded, with respect to what the plans and programs of this administration were in this field.

No one in America understands the problems of the American farmers better than the present incumbent in the chair, the Vice President of the United States. Our President is also a farmer.

In behalf of many people, and especially the farmers of Missouri, I want to thank him, and the President, for their deep concern with the problems of our farmers.

CONSUMERS' SHARE IN THE EARTH'S BOUNTY

Mr. HART. Mr. President, in President Johnson's message on agriculture to the Congress, he gave top recognition to an undisputable fact—that the bounty of the earth is the foundation of our economy.

As the President pointed out, progress in every aspect of our Nation's life depends upon the abundant harvest of our farms.

And he stated as our No. 1 objective—an abundance of food and fiber at reasonable and stable prices for the people of the United States. I think all of us would subscribe to and support this program.

Surely, the consumers of America—all 191 million of us—reap the benefits of our farm commodity programs, not just the 6 million people who produce our food and fiber on 3.5 million farms.

Without these commodity programs we would not have stabilized agricultural production and stabilized prices. But with the commodity programs we do have an abundance of the earth's bounty at stable prices. We pay less than 19 percent of our take-home pay for food, which makes us the best fed people at the lowest relative cost of any people in the world.

The English and the French, for instance, have to spend about 30 percent of their disposable income for food, and the Russians about 50 percent.

Because our people eat better at less cost than any other people in the world's history, we can spend our earnings for the many other things that make life more rewarding, as the President pointed out.

In addition to this, we share our abundance with the needy and hungry people at home and abroad through our food stamp and food distribution programs in this country and our food-for-peace program in the far corners of the earth. And we are able to provide our children with lunches and special milk at school.

But as the President said, we must continue to speed our progress in agriculture, to insure the protection of consumers and make full opportunity for all our people more than a distant hope.

His message eloquently describes the path we should seek to follow in the days ahead.

Mr. MAGNUSON. Mr. President, I was impressed by the President's message on agriculture, particularly with respect to the expansion of markets.

Pointing out that the welfare of American agriculture is closely linked to foreign markets, the President stressed the need for further increases in our agricultural exports and outlined steps to achieve this policy. Our market development program, already playing a significant role in stimulating exports to a number of countries, will be broadened where there are opportunities to expand our commercial farm exports. In order to enable U.S. exporters to compete more effectively, the President has directed the Secretary of Commerce to study possibilities for liberalizing export regulations for all agricultural products except those in short supply. The President also stressed the need for domestic commodity programs that would further improve our competitive position in world markets from the standpoints of price, quality, and service.

American agriculture already has taken giant strides in export expansion.

Last year such exports exceeded \$6 billion and accounted for a fourth of all U.S. merchandise exports. With renewed emphasis, however, further progress can be expedited to the benefit of our farmers through larger markets, our Government program through lower costs, our international balances through larger exchange earnings, and the American public generally through the higher rate of growth and international stability that accompany increases in international trade and commercial ties.

The problem of exports and imports and balance of trade is one of the most important matters confronting the Nation's economy today.

TRUTH IN PACKAGING—REFERENCE OF BILL

Mr. DIRKSEN. Mr. President, I should like to have the attention of the Senator from Michigan [Mr. HART], and to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. DIRKSEN. Yesterday the Senator from Michigan introduced his bill on packaging and labeling. He discussed it very briefly last night. As I understand, that bill now lies on the desk, at his request. There is a little controversy about the reference of the bill.

May I ask whether the bill has actually been referred to any committee?

The VICE PRESIDENT. The bill has not as yet been referred to committee. The request was made yesterday that the bill lie on the table. That has been done.

Mr. DIRKSEN. I would like to propound a unanimous-consent request that the bill be referred to the Committee on Commerce and thereafter, and that when the Commerce Committee has completed its work on the bill, it be referred back to the Judiciary Committee.

I ask the distinguished Senator from Michigan whether he would have objection to that request.

Mr. HART. Mr. President, I understand fully the concern the distinguished minority leader has with respect to this bill. Clearly, as the bill has been introduced, the jurisdiction is that of the Committee on Commerce. I would hope, knowing the distinguished chairman of that committee, we would have an opportunity for hearing and action. As the sponsor of the bill, I would be hopeful that action would be favorable and that we would be presented with a bill.

I think I would be unwilling to agree that, in the event of favorable action by the Committee on Commerce, the bill, as of the action taken up to this morning, thereafter would be referred to the Committee on the Judiciary. It may well be that the bill, if it is reported by the Committee on Commerce with certain changes and conditions by the committee, should go to the Committee on the Judiciary, but I would dislike at this time to presume to have any idea that that would happen to the bill when it came from the Committee on Commerce, if it did.

Mr. DIRKSEN. Mr. President, for the record, there is a substantial reason for the request I make. First, this bill was originally introduced in the 87th Con-

January 15 and the exchange offer will expire February 8. Christiana said a preliminary prospectus on the offer will be mailed to stockholders "within the next few days."

The company said that any shares not disposed of through the offer will be distributed on a pro rata basis to Christiana shareholders or sold to satisfy taxes prior to May 1. It noted that it intends to sell about 500,000 GM shares prior to May 1 to raise funds for taxes.

Christiana Securities is a holding company and a major Du Pont Co. stockholder. Under a 1962 court order requiring Du Pont to divest itself of 63 million GM common shares, certain Du Pont stockholders, including Christiana, were also ordered to divest themselves of any GM shares received from Du Pont through its divestiture plan. Du Pont was given until February 28 this year to complete its divestiture and Christiana was given until May 1. Du Pont completed its divestiture of GM stock yesterday with a third and final distribution of 23 million GM shares.

At the effective date of the original Du Pont divestment order, Christiana held 535,500 shares of GM stock. It has since received 18,247,283 GM shares in 3 distributions from Du Pont.

In November 1962, and again last January, Christiana distributed 4,416,210 GM shares to its stockholders. It has also sold 1,050,000 GM shares.

Mr. GORE. Mr. President, I again renew my request for a public hearing, with public officials appearing, with regard to a ruling that has been issued which provides vast benefits to the stockholders of a publicly held corporation which has been the subject of long litigation in the courts, and legislative enactment.

There has been much publicity over this, but there have been too many private dealings already.

Mr. LONG of Louisiana subsequently said: Mr. President, I wanted to make it very clear, regardless of the position taken by the Senator from Tennessee with regard to Du Pont and General Motors, that the Secretary is following a long-established policy in declining to make a ruling or influence the decision of a specific tax case one way or the other. I have before me a transcript of the hearings on the nomination of the Secretary of the Treasury Douglas Dillon. I read from page 5:

I have also considered my position in the event that corporations in which I have an interest should be involved in tax cases.

Again I am advised that cases involving the liability of specific companies do not normally come to the attention of the Secretary. In any event, I shall instruct the appropriate persons in the Treasury not to bring cases involving such corporations to my attention.

I have given a power of attorney to certain individuals to represent me in all matters involving my own personal tax returns, which power shall be irrevocable while I am Secretary of the Treasury.

In other words, what the Secretary was saying was that he did not want to be consulted on anything involving the tax liability of any company in which he had an interest; but he also stated what the policy of the Treasury had been through the years—that the Secretary of the Treasury was not to make tax rulings or be consulted about any individual cases.

I read further from the same page of the hearings:

The CHAIRMAN. I would like to also make clear the independence of the Commissioner of Internal Revenue. He is appointed by the President and confirmed by the Senate.

Mr. DILLON. That is my understanding.

The CHAIRMAN. To what extent would you be able to influence or control any actions of the Commissioner of Internal Revenue in regard to refunds of taxes or anything else?

Mr. DILLON. I have been informed that, as a matter of practice, these individual items are handled by the Commissioner and do not come to the Secretary of the Treasury.

However, to make certain I do intend, if I am confirmed, to issue clear instructions, which I would like to discuss with the General Counsel, to make certain that no such questions that might have anything to do with any company in which I had any interest, direct or indirect, are brought to my attention. They would be left with the Commissioner of Internal Revenue.

The CHAIRMAN. In fact, while it is not strictly an independent agency, it is my understanding that throughout the years the Secretary of the Treasury has not attempted to influence in any way the Commissioner of Internal Revenue in regard to taxes, refunds of taxes, or anything else. Is that your understanding?

Mr. DILLON. That has been my understanding; yes, sir.

I have in my hand the memorandum to which the Secretary referred and which was circulated in the Department. It is dated February 21, 1961. It states—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG of Louisiana. I ask unanimous consent to have 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. The memorandum reads:

FEBRUARY 21, 1961.

Memorandum to: The Under Secretary, the Under Secretary for Monetary Affairs, the assistant secretaries, the General Counsel, Director, executive secretariat, heads of bureaus.

In accordance with what I am advised has been the general practice of my predecessors, and to assure an orderly administration of the business of the Department, I desire that you not refer to me cases involving the tax liability of particular taxpayers or other matters requiring determinations affecting particular individuals or corporations. Accordingly, I request that, in the normal course, you dispose of all such matters within your respective offices. In the event you feel that a matter raises questions of policy of such importance as to require determination at a higher level, please in the first instance consult with the Under Secretary, or in his absence, the General Counsel.

When and if references and inquiries concerning the tax liability of particular taxpayers are brought to the Secretary's office from outside the Department for my attention or for the attention of members of my staff, including the Under Secretary and General Counsel, they should be referred promptly and without comment directly to the Commissioner of Internal Revenue for handling in accordance with the established practices and procedures within the Internal Revenue Service.

DOUGLAS DILLON.

I find nothing whatever wrong with that position. It seems to me that the Secretary of the Treasury, who has vast

economic responsibilities and interests, was entirely proper in conducting himself in this fashion and stating that he should not be called upon to make a determination as to whether the Commissioner of Internal Revenue may have made a mistake one way or the other in making a decision under the law in pursuance of his responsibilities.

As I stated before, any taxpayer may be subject to investigation by the Internal Revenue Bureau, the Senate Finance Committee, or the Ways and Means Committee of the House; but his affairs should not be laid before the public merely because one person may have claimed that, in his opinion, the Government had not collected as much in taxes as he feels might conceivably be owed. If the Committee determined that a particular taxpayer had received favoritism, it would be appropriate for us to have a hearing.

Should we take a different position, it would permit any individual Senator, or any number of Senators, unlimited possibilities for keeping the committee, and the Senate, in session year after year, with much publicity about matters that are properly the private business of taxpayers.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Is there further morning business?

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICA COMES LAST WITH THEM

Mr. YOUNG of Ohio. Mr. President, the recent election last November was an overwhelming repudiation of right-wing extremism.

Our Nation wants moderation and the continuance of our traditional two-party system of government. However, despite the growing disdain of all thinking Americans, these rabble rousers of the lunatic rightwing continue their vicious crusades. If anything, their activities have increased in intensity in recent months, and they cannot always be dismissed as mere cranks.

It is my conviction that the John Birch Society so called, with its secret cells and false propaganda, is the most dangerous organization in America. If the Communist leaders had hired helpers in their announced task of burying us, of creating disunity, distrust, and undermining our institutions from within, they could not have chosen a better vehicle than the Birchites or Birch saps, or sons of Birches, as the distinguished minority whip [Mr. KUCHEL] terms them, and their fellow traveling radical crackbrain followers. Among these is a particularly scurrilous group termed "The Minutemen."

The wild men who lead this band of psychotics realize that they will never

achieve power through democratic means. Therefore, they have turned to force. The Minutemen, a lunatic fringe, rightwing extremist group, have issued a call for volunteers to join a secret underground army of terrorists and saboteurs.

Membership is secret, but has been variously estimated at between a few thousand and a hundred thousand. The current campaign, according to the New York Times, is for an army of a million, operating in guerrilla bands of a dozen or so each. Directly after the election, this organization's newsletter "On Target," stated:

The hope of millions of Americans that the Communist tide could be stopped with ballots instead of bullets has been turned into dust.

It is a ridiculous statement. Recruits are asked to indicate whether they want to join a "combat team" or do "medical, intelligence, or espionage work."

These stupid Fascist-minded, misguided, ignorant Americans imitate language and methods of the Nazis in Germany, the Fascists in Italy, and Communists everywhere.

Will they never learn? We in America have sufficient concern in finding a course of action to meet the encroachments and challenges of international communism and Soviet and Red Chinese imperialism. We do not need the Minutemen, so called, to complicate matters.

Their leaders overlook entirely the threat of Communist aggression from Soviet Russia and Red China. Instead, these sandlot witch hunters malign their neighbors, berate the clergy, and talk about Communists on the faculties of our colleges and universities. The demagogues of the lunatic fringe extreme right sell their followers the diagnosis that internal communism is the disease that causes all ills and then prescribe local vigilante action as the cure.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent to have 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of Ohio. Too many may laugh or shrug these rabble rousers off as mere mischief makers or annoyances. We cannot disregard them for their purposes are at odds with our Nation's freedom. In my judgment, officials of the Department of Justice should take action against the Minutemen so called. Whether this organization has many, or few, lunatic rightwingers as members, the facts are any organization which proposes to secure for its members automatic weapons including submachineguns, tripod-mounted machineguns, flamethrowers, aerial bombs, mortars and other instruments of war should be denounced and eliminated.

We must destroy these enemies of democracy, not with bullets, as they would use against us, but with facts, constant exposure, and relentless publicity. America is last with them. They are truly America-last. If the ignorance that breeds these antidemocratic groups is dispelled, they will soon go the way of

the know-nothings, the Coughlinites, the America-firsters, the German-American Bund and other lunatic organizations in our past history.

MAJOR NEED FOR EXPANDING WATER POLLUTION CONTROL EFFORT

Mr. JAVITS. Mr. President, on January 28 the Senate passed S. 4, legislation to amend the Federal Water Pollution Control Act. This bill, managed by Senator MUSKIE, the able chairman of the Special Subcommittee on Water Pollution of the Senate Public Works Committee, provided grants for research and development, increased grants for construction of municipal sewage treatment works, and authorized the establishment of standards of water quality to aid in preventing pollution.

At that time, I introduced an amendment to S. 4 to eliminate features of the existing Water Pollution Control Act which discriminate against heavily populated areas. This amendment was intended to:

First. Eliminate the existing limitation of \$600,000 for a single project or \$2.4 million for a joint project involving several communities on grants for construction of waste treatment facilities, and also authorize an across-the-board Federal contribution of 30 percent of the cost of constructing these facilities.

Second. Eliminate the existing requirement that half of all construction grant funds be used for municipalities of 125,000 people or less.

Third. Establish a more meaningful standard for the allocation of funds for construction of sewage treatment facilities in urban areas of need.

The State of New York is embarking on a new \$1.7 billion water pollution program with \$513 million to be expended through 1970 for construction of needed sewage treatment facilities. To permit States making substantial efforts in this important field to accelerate their work, I believe the Federal Government should assume a full 30-percent share, and the other provisions of the present law which discriminate against heavily populated urban areas should be altered.

During debate on the amendment the distinguished manager of the bill assured the Senate that hearings would be held on the questions raised by this amendment and the adequacy of the existing grant program and in view of the tremendous water pollution control needs of heavily populated areas.

I ask unanimous consent to have printed at this point an editorial from today's New York Times on this subject.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CLEANING UP THE WATERS

The antipollution bill recently passed by the Senate is barely sufficient to enable the Nation to hold its own in the struggle for pure water.

The upward spiraling of population is exceeding the capacity of old sanitary facilities as fast as Government builds new ones. Industrial expansion in our booming economy creates an ever-growing demand for fresh water and also adds new sources of pollution.

The bill, offered by Senator EDMUND S. MUSKIE and 32 cosponsors, does give the Secretary of Health, Education, and Welfare additional authority to define and enforce standards of water quality in interstate streams. It also authorizes an additional appropriation for research into methods of combating the discharge of sewage from combined storm and sanitary sewers, one of the biggest problems in this field.

Although these measures are important and will be particularly helpful to many small communities, the bill does little to help the biggest cities which have the biggest problems. For example, the measure raises the limit on the Federal contribution to the building of a sewage treatment plant from \$600,000 to \$1 million. But a single pollution control project in a metropolis can easily run upward of \$50 million, or half the sum the Federal Government now allocates each year for the entire Nation.

There is no prospect in this bill that the Federal Government will provide anything remotely approaching the \$513 million Governor Rockefeller anticipates for his \$1,700 million program to clean up the rivers in this State over the next 6 years. Nor does the bill recognize that there will probably have to be Federal construction grants for new sewer systems, which are more expensive than sewage treatment plants and just as badly needed.

Senator MUSKIE readily conceded all of this in an exchange on the Senate floor with Senator JAVITS. It is encouraging to have Mr. MUSKIE's assurance that the passage of this bill does not mean that the Public Works Committee has finished its efforts against water pollution in this Congress. More hearings, more legislation, and more money are needed if the Nation is to win the battle for clean water.

THE PRESIDENT'S FARM MESSAGE

Mr. JAVITS. Mr. President, the President's farm message today places meaningful emphasis on the development of rural America, its concern with the development of rural facilities and resources and the need for substantially increasing efforts to insure adequate income for our rural citizens is a most important one.

I am very pleased that the President's farm message calls for the establishment of a National Agricultural Advisory Commission on Food Policy which I had proposed in legislative form as early as October 1962, and in every Congress since the 87th including this one, as Senate Joint Resolution 20. A basic review of our food policy including the goals of our existing agricultural programs and the effectiveness of their operation has long been badly needed. I also support the President's emphasis upon the role of the free market in the farm economy, and the need for developing new markets.

I am disappointed that the President's message does not place sufficient emphasis on expanded authority for drought relief which New York farmers sought so earnestly this year. I also regret that the President did not set forth any administration position on dairy legislation. The farmers of New York State are interested in learning the administration's views on this vital matter. I also look forward to seeing the details of the President's legislative proposals on feed grains, wheat, cotton, tobacco, wool, and other important commodities.

Although delinquency rates on National Defense Education Act loans far outstrip those on installment loans from banks, persons familiar with the program explain that the student loans are entirely different in character. Ellis P. Waller, who directs the National Defense Education Act collection center at American National Bank & Trust in Chicago, notes that "the student gets the loan only if he'd have difficulty in repaying it; he's got to be needy."

The Office of Education is sensitive about questioning on loan delinquencies. It stresses that because some borrowers are repaying their loans faster than is required, total repayments under the student aid program are running about 7.5 percent ahead of schedule. As for the graduates failing to make payments on time, one Office of Education official says the agency prefers not to describe these borrowers as "delinquent" because that makes it "sound like a moral problem, and we don't consider it that. We prefer the term 'past due accounts' or 'arrearages.'"

Whatever terminology is used to describe the problem, Congress may look into the whole National Defense Education Act program in the current session, says Representative EDITH GREEN, an Oregon Democrat who heads the Education Subcommittee of the House.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EFFECT ON SMALL BUSINESS OF THE GREAT NEW SCIENTIFIC AND TECHNOLOGICAL CHANGES

Mr. SPARKMAN. Mr. President, during the past 6 years the Senate Small Business Committee has become increasingly involved in the effect on small business of the great new scientific and technological changes. We can even refer to these changes as a scientific and technological revolution. No company or industry is immune to the spreading effects of this revolution, which is largely dependent on the stimulus which research—both Government and private—has given to the general economy and particularly to the general levels of capital investment.

As research has grown, its influence on profitability has also grown to the point where it now either determines or at least strongly influences, profit performance of many areas of industry. The new element in our society is the growing recognition that new products and new processes are the key to a company's growth, an industry's growth, a nation's growth—and these are dependent on the continuous development of innovations to keep the economic system expanding.

It should not surprise us to find that there is a good correlation between the percentage of sales devoted to research and development and profits as a percentage of net worth. In other words, the higher the percentage of gross receipts spent on research, the higher the rate of return on net worth. About

70 percent of actual scientific and technological research and development in our Nation is paid for by the public through its Government. In addition, this amount covers proportionally more of the most advanced fields.

A considerable amount of this research and development work has potential commercial applications, and most company officials are well aware that many of today's important industries and products are outgrowths of Government-funded research.

Some obvious examples from World War II research are antibiotics, the jeep, radar, jet engines, precooked frozen meals, aerosol bombs, new power-steering and suspension systems, and miniature electronic components. The present electronic computer industry is the direct product of Army sponsored research resulting from a military need during the early years of World War II.

The contribution of publicly financed research and development to our society is still continuing. Already a reality are machines that read and record numbers and letters up to a hundred times faster than a human which will cut the cost of putting great masses of information into high-speed computers. A relatively small firm in Cambridge, Mass., for example, built a machine for the Air Force that reads Russian technical journals into an IBM translating computer.

Reading machines as computer input devices are only one example of how the Government is stimulating the technology of high-speed data processing. According to one source, these machines could generate a billion-dollar business in the not too distant future. In addition, the Department of Defense is pushing other "peripheral" computer equipment and the central unit, the computer itself.

Because of the great opportunities opening up in these new areas, I have instructed the staff of the Senate Small Business Committee to study this problem and to attempt to identify ways in which small business can participate in the benefits of this new technology.

Byproducts of our space programs include the development of biomedical instrumentation for better diagnosis and patient care, new materials, advanced electronic devices, communications, and the most advanced types of transportation. The development of space batteries has contributed to better hearing aids and lifesaving equipment.

The benefits flowing to the company performing Government research are incalculable. These include not only profit on the research contract, but also other advantages of value less easily appraised but probably of greater significance. Some of these other advantages are: First, the acquisition of a favorable position in competing for future research or procurement contracts; second, the accumulation of advanced knowledge of commercial applications of newly developed products and processes; third, the acquisition and maintenance of a competent staff of scientific personnel; and, fourth, the securing of a general body of technical information not widely shared.

During fiscal 1965, the Federal Government will obligate an estimated \$15.44 billion for the support of scientific research and development. This means that 15 cents out of every dollar to be spent by the Government in the coming fiscal year will go for this activity.

Unfortunately, small business will get only a tiny fraction of this sum. If this situation continues, the inevitable result will be that small business will be confined to the traditional, slower growing activities like the distributive trades as well as merely the fringe areas of the new dynamic industries. A knowledge of only simple arithmetic is needed to see that small business will decline in importance in our society if it is excluded from the most profitable and fastest growing segments of our economy.

Mr. President, the Senate Small Business Committee plans to concern itself with these developments in our economy. Technological advances need not necessarily bode ill for small business. It is our hope that they, in fact, will contribute to the strength and vitality of the small business segment of our economy.

THE PRESIDENT'S MESSAGE ON AGRICULTURE

Mrs. NEUBERGER. Mr. President, reading the President's message to Congress regarding agriculture, I am struck by its thoughtfulness and constructive suggestions. However, I am moved to be facetious by one paragraph, which might be a prologue, wherein he states:

Because our people eat better at less cost than any other people in all the world's history, we can spend our earnings for the many other things which make life rewarding.

This argument has been used by one of our country's leading food processors as an argument against consumer legislation—namely, because our food costs so little, people are using money wisely at the grocery store. However, we know that not every segment of the population is doing as well as it could. I hope this particular food processor will not pick that line of the message out of context to try to show that the President is against consumer legislation.

Perhaps the President's message on agriculture can best be described as "We may not be able to keep them down on the farm once they have seen 'Paree,' but maybe we can keep them in the rural community." That seems to be the gist of the message—we are not eager to take them off the farms and put them in our rural areas, but we must provide something for them to do.

However, a steady migration from the countryside has been a fact of 20th century life. The reason for this population shift has not been merely that inefficient farmers could not make the economic grade. Thousands of prosperous farm families and small town merchants have seen their sons and daughters leave for the great urban areas of our Nation because the opportunities for economic advancement are there, and the cities are the centers of cultural and recreational amenities.

It is a fact of life that the young people of this age do not want to stay on the farm.

But opportunity in America ought not to be based on an accident of geography. The President's message is an attempt to coordinate many existing resources, from the local to the Federal, and to revitalize our rural communities so that they might also share in the Great Society.

I wholeheartedly support that part of the message which declares a parity of opportunity for rural America. The President states that these gaps remain between the levels of living in rural America and those in urban America—gaps in income, in education, in housing, in health, and sanitation facilities.

What is there left in life? Those are the things that concern us all, and that we most need.

We need an increase in national economic prosperity to increase employment opportunities; full access to education, training, and health services to expand their earning power; and economic development of smaller and medium-sized communities to insure a healthy economic base for rural America is called for.

To specify one thing particularly in the message, I comment on the challenge which the President has issued, to get improved prices at the marketplace at less cost to the Government. This is one statement we all like, because we are all interested in the question of less cost to the Government. But the challenge is to utilize the Commodity Credit Corporation so as to make the free market system work more effectively for the farmer and to encourage the private segment of our economy to carry its own inventories, bought from farmers, rather than depend on the Government as a source of supply.

The last time I checked, the cost of storing our surplus commodities was running at more than \$1 million a day.

I hope the private sector of our economy will stop criticizing the farm program, accept the challenge, and see if it can help reduce the excessive cost to all Americans, and thus help ourselves and our Government.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT TO 11 A.M. MONDAY NEXT

Mr. DIRKSEN. Mr. President, I wish to query the distinguished majority leader as to what he contemplates as the legislative program for the remainder of the week and for the following week.

Mr. MANSFIELD. Mr. President, responding to the question raised by my distinguished friend the minority leader, first, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock on Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. There will be a morning hour when the Senate convenes on Monday next.

The next order of business will be to consider the 35 items on the calendar at this time, all reported from the Committee on Rules and Administration, and all having to do with funds for committees to function for the remainder of the year.

It is my hope that each committee chairman and subcommittee chairman involved will be in the Chamber Monday, because they can then anticipate, and they should be prepared for, the assault, in a sense, on many of these resolutions by the distinguished senior Senator from Louisiana [Mr. ELLENDER]. So I hope they will be present, because the Senator from Louisiana will be here. In their own interest, they had better be ready.

On Tuesday, February 9, and this has been discussed with the distinguished minority leader and with other interested Senators—it is anticipated that the stockpile bill, reported from the Symington subcommittee, and approved unanimously, I believe, today by the Armed Services Committee, will be laid before the Senate and made the pending business and debated.

There will be other bills reported next week from the Committee on Interior and Insular Affairs and other committees. Those bills will be considered as soon as they reach the calendar.

Then, on the 11th, the Lincoln Day

recess—not vacation—begins and ends on the 16th.

When anyone refers to these "vacations" it must be remembered that they take into account the Saturdays, Sundays, and holidays involved.

So it is anticipated that the presidential inability constitutional amendment, reported unanimously by the Subcommittee on the Judiciary under the chairmanship of the Senator from Indiana [Mr. BAYH], and I understand the full committee, today, will be the pending business on the day the Senate resumes on Wednesday, February 17.

Following that, it is anticipated and hoped that the Senate will be able to take up the gold cover bill, as soon as hearings shall have been concluded. It should be ready for action at that time.

That is all the information I have.

Mr. DIRKSEN. I thank the Senator from Montana.

ADJOURNMENT UNTIL MONDAY AT 11 A.M.

Mr. MANSFIELD. Mr. President, if there is no further business, I move, pursuant to the order previously entered, that the Senate adjourn until 11 o'clock a.m., Monday, February 8, 1965.

The motion was agreed to; and (at 2 o'clock and 40 minutes p.m.) the Senate, under the order previously entered, adjourned until Monday, February 8, 1965, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate February 4, 1965:

INTERSTATE COMMERCE COMMISSIONERS

The following-named persons to be Interstate Commerce Commissioners for terms of 7 years expiring December 31, 1971:

Rupert L. Murphy, of Georgia (reappointment).

John W. Bush, of Ohio (reappointment).

U.S. ATTORNEY

Richard L. McVeigh, of Alaska, to be U.S. attorney for the district of Alaska for the term of 4 years vice Warren C. Colver, resigned.

Mr. Speaker, I thank you for this opportunity to speak against something that might present a precedent which after reflection all my colleagues could well regret.

The SPEAKER pro tempore (Mr. STRATTON). The time of the gentleman from Alabama has expired.

LET LEGISLATORS KNOW

(Mr. WILLIAM D. FORD asked and was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. WILLIAM D. FORD. Mr. Speaker, an editorial appearing in the Mellus newspapers on January 27, 1965, merits the attention of this Congress. The publisher, William S. Mellus, has effectively explained to the readers of his chain of newspapers, circulated in the downriver suburbs of Detroit, the tremendous impact that citizens may wield by letting their Congressmen and State legislators know of their opinions.

To encourage his readers to send their viewpoints to their legislators, Mr. Mellus has published the names and addresses of the U.S. Senators from Michigan, and of the Congressmen, State senators, and State representatives whose districts are in his newspapers' circulation area.

I believe, Mr. Speaker, that the Mellus newspapers are performing a valued public service worthy of emulation by newspapers throughout the Nation. In view of its brevity, I have asked unanimous consent that the editorial be printed in the body of the RECORD following my remarks:

LET LEGISLATORS KNOW

In order that our democracy may operate in a manner to fulfill the lofty principle so eloquently stated by Abraham Lincoln in his oft-quoted "of the people, by the people and for the people," it is necessary that those in charge of our Government know what the people want.

The best way for the leaders to find out is for the citizens to tell them. Since personal contact with Senators and Representatives on the State and National level is impossible for all but a very few, the most effective way to get this information to the legislators who represent us is by writing letters.

An individual may ask himself, "What is the use of my writing? I'm just one person and who will pay attention to me?"

It is true that the beliefs and wants of one person may seem insignificant, and his influence may appear to be scarcely noticeable in a nation of nearly 200 million citizens. However, these individual ideas and desires are the fibers that make up the wool and warp of our national consciousness.

Like the tiny threads that are intertwined and woven to produce a rope of great strength, the thought of millions of individual citizens combining to establish patterns of thinking which determine the direction and extent of our national progress.

Unexpressed, the ideas have no effective meaning or strength. Made known in sufficient volume, they become forces which no political leader can long ignore. Our Nation was founded upon the fundamental truth that "in union there is strength." This is as true and as vital now as it was in our earliest days.

On many occasions, the Mellus newspapers have expressed views editorially upon matters of public interest. We often have urged that our readers write to Michigan's State senators and representatives in Lansing

and their counterparts in Washington, expressing support of or opposition to important measures. We have made it a practice to list the names and addresses of the legislators or other public officials to whom letters should be directed.

The recent redistricting of Michigan's legislative and congressional districts resulted in changes of long-familiar boundaries. As an aftermath, many citizens are uncertain as to the districts in which they now reside, and as to the names of their State and National Legislators.

To overcome this confusion and to enable our readers to readily communicate with their Senators and Representatives both in Lansing and in the National Capital, the Mellus newspapers today inaugurate a special service.

We might describe it humorously as "an aid to people who want to get something off their chests." At any rate, in a special feature elsewhere on this page will be found a complete list of the State senatorial and representative districts and the congressional districts in the communities within our circulation area.

Also listed are the names of each State senator, State representative, U.S. Senator, and Congressman who represents any part or all of this area. This feature will be kept in type and will be published in our newspapers from time to time as space permits. We urge our readers to clip the directory and file it for handy reference.

We also recommend that they write frequently to their legislative representatives, expressing their views on subjects of interest and importance.

And we further request that our readers mail us copies of their letters for our "Letters to the Editor" columns so that we may let others share their ideas.

Let us all do our best to make this truly a government of and by the people, as well as for the people.

ESTABLISHMENT OF THE FREEDOM ACADEMY

(Mr. GURNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GURNEY. Mr. Speaker, since the end of World War II, the single, overriding issue in foreign affairs, has been the worldwide struggle against communism. The United States has poured over \$100 billion into its foreign aid programs in this fight. We have fought a major war, the Korean conflict, which we failed to win. We settled for a truce. We are now engaged in another war, in faraway southeast Asia, which we are losing badly.

This desperate struggle has forced the United States to maintain a costly defense establishment, on which we spend some \$50 billion a year.

The high cost of foreign aid and maintaining large numbers of troops abroad, has resulted in a steady outflow of gold. Our gold stocks are now so dangerously low, that the administration is about to ask the Congress to pass legislation to withdraw the support of gold from our own currency, in order to meet our international obligations.

Despite these tremendous efforts on our part, we are not winning the struggle against communism. In Asia, communism has made tremendous advances, and may well be on the brink of engulfing this whole region.

In Africa, there is daily evidence of growing Communist influence among the new nations there. Communist agitators are appearing all over the continent, and well planned, amply financed Communist activity is ever expanding.

In Latin America, Communist Cuba has become the strongest military power in the hemisphere, outside of the United States, and from this unhappy island a steady flow of Communist terrorists spew out to the rest of the Latin nations, whose mission it is to try to convert and subvert the rest of Latin America to the godless, freedomless society that is communism.

It is plainly evident that if this Nation is to win this struggle against communism, that we must change our tactics and learn and practice new techniques.

I am today introducing a bill, which I firmly believe, is a long step in the right direction of a new approach in meeting communism on far more favorable terms and give us hope of eventually winning against it.

This is the Freedom Academy bill. I hasten to point out that this idea is not mine, but was conceived by Mr. Alan Grant, of Orlando, Fla., some years ago, who has spent a very considerable portion of his life and his energies and his money in seeking a meaningful solution to this struggle with communism.

The Freedom Academy idea is so simple, and to me so plainly sound, that it is hard to see why the Congress does not adopt it forthwith.

This bill would establish a school for the special training of people who would fight this Nation's battles against communism in the cold war spheres.

We have three splendid service academies to train our young men to lead our Armed Forces. We spend large sums to send them to graduate schools for further training.

Since the struggle with communism is largely a cold war, and not a shooting war, why do we not train our people for this kind of conflict also? Our cold war soldiers need to know and understand the Communist philosophy of government and its dedication to world conquest. Especially must they know the methods by which the Communists seek to conquer. They need to know the language and customs of scores of foreign nations where the cold war is being fought, so that Americans can go to these foreign nations and convince their citizens of the friendship of America, and the danger of communism. They need training in as many variety of ways to meet and successfully defeat communism as the mind of freemen can conceive.

We have been like amateurs against professionals in this conflict. The Communists train their people intensively in special schools for work abroad. We do not give our people similar training. Obviously, we are at a disadvantage.

This Nation has all the resources it needs to successfully stem the tide against communism. There are young people in abundance who would welcome the opportunity to meet this challenge. We can put together a superb faculty, equipped with the necessary tools for teaching. All we need to do is to pass

the necessary legislation, this Freedom Academy bill, to get this vital project underway.

Now I do not contend that communism will fold its tent and quietly steal away with the founding of a Freedom Academy. I do say that we will have at our disposal another sorely needed weapon to use in this struggle, a means of training highly skilled people who will be far more adequately prepared to lead our Nation and freemen everywhere in this life and death worldwide struggle with Russian and Chinese communism.

Let us delay no longer. Let us pass this legislation.

THE DEATH OF SIR WINSTON CHURCHILL

(Mr. WILLIAM D. FORD asked and was given permission to extend his remarks at this point in the Record and include extraneous matter.)

Mr. WILLIAM D. FORD. Mr. Speaker, we have witnessed the passing of a man who stands without question as the outstanding world figure of this century.

Sir Winston Churchill played such a vital role in the history of his nation and of the world that his impact will be felt and his name remembered so long as man inhabits this earth.

Sir Winston was a man of such widely varied talents that no one word can be used to describe him. He was a statesman, soldier, writer, orator, lecturer, painter, historian, and humanitarian. He was the very symbol of the British Empire at its best—tough, cocky, stubborn, confident, humorous, and capable.

To us who were privileged to share the stage of world events with Sir Winston, his memory will remain as an enduring monument to the principles in which he believed and for which he fought. Before any other world leader, he recognized and warned of the evils and dangers of Nazi Germany. Two decades ago, he foresaw the coming struggle against world communism.

Throughout his long life, he was an implacable foe of tyranny in any form, and fought with determination to protect and expand the advances that mankind had made toward freedom and dignity.

The English nation owes him a debt of gratitude that cannot be measured. In the darkest days of World War II, when it seemed that no power on earth could stop the Nazi juggernaut, Sir Winston stood with inflexible courage and confidence. With his incomparable mastery of the English language, he bolstered the sagging hearts of the English people, and gave them new confidence that their empire would continue. When he stated, simply and calmly, "We shall never surrender," Englishmen and free people everywhere took heart. They suddenly knew, somehow, that this man was right; that Britain would not surrender and that the cause of freedom would prevail.

The United States, and the world, share this debt of gratitude to Sir Winston. Without his valiant leadership and courage, who knows what course the war might have taken? Who can tell what course history would have followed had

not the inspired English rallied behind Churchill to halt the tide of Nazi victory in time for the United States to join in the battle?

It is indeed fitting, Mr. Speaker, that Sir Winston Churchill was made an honorary citizen of our country. For we can now share with the British Commonwealth the feeling that we have lost one of our own.

During the grim and bleak days when the Royal Air Force singlehandedly stood off Germany's attempt to bomb England into submission, Winston Churchill uttered a phrase which has become a byword of the English language:

Never in the field of human conflict was so much owed by so many to so few.

Mr. Speaker, I would like to borrow this statement today, and rephrase it to remind the people of the United States that never in the course of human history have so many owed so much to one man.

Mr. FLYNT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Georgia [Mr. FLYNT] makes the point of order that a quorum is not present. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 8]

Abernethy	Fascell	O'Neal, Ga.
Adair	Fraser	Passman
Anderson, Ill.	Gray	Powell
Ashbrook	Grover	Pucinski
Betts	Gubser	Reinecke
Bingham	Harsha	Rhodes, Ariz.
Bolling	Herlong	Rivers, Alaska
Brademas	Holfield	Ronan
Brooks	Holland	Roosevelt
Brown, Calif.	Hutchinson	Schauer
Burleson	Jacobs	Shiplay
Burton, Calif.	Jarman	Sikes
Cabell	Jones, Ala.	Skubitz
Cederberg	King, Calif.	Staggers
Celler	Landrum	Sullivan
Clark	Lindsay	Toll
Conelan	Long, La.	Tunney
Conte	Long, Md.	Tupper
Corman	Love	Tuten
Craley	McCarthy	Utt
Davis, Ga.	McCulloch	Waggonner
Diggs	Macdonald	Watkins
Edwards, Ala.	Martin, Mass.	Williams
Edwards, Calif.	Miller	Wilson, Bob
Evans, Colo.	Moorhead	Wydlar
Farnsley	Mosher	Yates
Farnum	Murphy, N.Y.	

The SPEAKER. On this rollcall 353 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FARM POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 73)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Agriculture and ordered to be printed:

To the Congress of the United States:

The bounty of the earth is the foundation of our economy.

Progress in every aspect of our Nation's life depends upon the abundant harvest of our farms.

Because 7 percent of our work force can produce our food and fiber, the vast majority of Americans can work at other tasks that make our democracy strong and prosperous.

Because our people eat better at less cost than any other people in all the world's history, we can spend our earnings for the many other things which make life rewarding.

Because we have the means to conquer hunger, we can wage an unconditional war on poverty—and win it.

The farm people of this Nation have made and are continuing to make a lasting contribution to our national prosperity. As a matter of simple justice they should share equitably in this prosperity. They deserve a place of dignity and opportunity.

Farmers want new and expanding markets for their efficient production. Farmers want freedom to grow and prosper, freedom to operate competitively and profitably in our present economic system.

As a nation we are increasingly recognizing that food and agricultural policies affect our entire economy. Sound agricultural policy must give full consideration not only to the role of the producer, but also of the processor, the distributor, the exporter, and the ultimate consumer. This is one major reason for a national investment in agricultural programs.

Farm policy is not something separate. It is part of an overall effort to serve our national interest, at home and around the world.

WHAT WE WANT TO DO

These are the objectives which should guide us:

1. An abundance of food and fiber at reasonable and stable prices for the people of the United States.
2. Effective use of our agricultural resources to promote the interest of the United States and world peace through trade and aid.
3. A workable balance between supply and demand at lower costs to the Government.
4. Opportunity for the efficient family farmer to earn parity of income from farming operations.
5. Parity of opportunity for all rural people, including new opportunity for small farmers.

The gains which we have made in the past 4 years—in raising farm income, in reducing surplus stocks, in promoting new economic opportunity in rural areas—point the direction we should continue to follow.

THE RURAL SCENE

Rural America is the scene of one of the greatest productive triumphs in the history of man. Yet, despite its service to the Nation, rural America is also the scene of wasted human talent, where there are too many people without jobs and too many with only part-time jobs.

Opportunity in rural America will require wise farm programs to support and stabilize the incomes of commercial fam-

ily farmers. It will require solutions to the problems of small farmers and those who live in the towns and villages of rural America.

Only one of four rural families now lives on a farm. Only 1 out of 10 boys now growing up on farms can expect to earn a good living as a full-time farmer. Most young people in rural areas must go elsewhere to find their opportunities.

I am determined that the farmers who have been efficient and successful in agriculture shall be fairly rewarded for their success. And I am equally determined that the rural community which has sustained the growth of agriculture shall have the chance to broaden its economic base and the range of opportunity which it can offer the children of its families.

To the White House in recent months have come hundreds and thousands of letters from men and women who live in rural America. Their words are eloquent testimony to the changes which are occurring there and to the uncertainty which those changes are causing.

Thirty years ago, over 7 million American families lived on the farm. Today, 3½ million families feed a population that has grown by 50 percent. Enough food is left over to fight hunger among free people all around the globe.

Thirty years ago, a good farm in the Midwest operated with a capital investment of \$18,000. Today, nearly \$100,000 is needed. In the Southeast, capital requirements rose from \$4,500 to \$30,000.

Farmers with inadequate resources make up one segment of rural America's great unsolved problem of underemployment. Another is made up of families who have left the farm but have not yet found a place in the nonagricultural sector of the economy. A third consists of families displaced by the decline in the rural-based extractive industries—mining and lumbering.

The rural unemployed and underemployed are largely out of sight. Most of them are hidden in the remote valleys of Appalachia and the Ozarks, on the unpaved side roads of the South, in the once-rich timberlands of the North, on Indian reservations, and in the worn-out mining communities of the West.

The results of opportunity's decline in rural America are reflected in harsh facts:

Lack of a decent life is almost twice as prevalent in rural America as it is in urban America. Only 30 percent of our families live in rural areas, but they include 46 percent of those American families with incomes under \$3,000.

Rural America has almost three times the proportion of substandard houses found in urban areas. A fourth of all farm homes and a fifth of rural nonfarm homes are without running water. Over 14,000 rural communities of more than 100 population lack central water supplies.

Rural people lag almost 2 years behind urban residents in educational attainment. They often suffer from a lower quality of education. Per pupil expenditures for elementary and secondary education in rural school districts are

substantially below expenditures in urban districts.

Rural communities lag in health facilities. Rural children receive one-third less medical attention than urban children. Their mortality rate is far higher.

These deficiencies feed on one another. They leave too few resources to support education, health and other public services essential to development of the talent, skills, and earning power of the people.

PARITY OF OPPORTUNITY FOR RURAL AMERICA

These facts require a national policy for rural America with parity of opportunity as its goal.

There has been a steady migration from our countryside. In the 1950's more than half of America's rural counties suffered a population loss. But farmers who are handicapped by poor health, age, or lack of skill in any occupation outside of farming and who leave their home communities for want of opportunity often create new problems—for themselves, for the communities they leave, and for the cities which receive them.

When people move away from rural areas, the area suffers. Migration leaves vacant stores, abandoned churches, empty schoolrooms, declining tax bases, and a declining ability to support a minimum level of public service.

This is what we need to have parity of opportunity for rural Americans:

National economic prosperity to increase their employment opportunities; Full access to education, training, and health services to expand their earning power; and

Economic development of smaller and medium-sized communities to insure a healthy economic base for rural America.

When the rural citizen, his community, business and government cooperates, the chances for a better rural life increase. Local leadership and initiative are necessary if rural development is to keep pace with the needs of the people. But government can and should provide information as well as the technical and financial assistance which will speed progress.

Many measures enacted by the Congress in recent years are assisting rural communities in building new opportunities for their citizens. Others I have recommended this year aim at these same objectives.

The Area Redevelopment Act has helped scores of small- and medium-sized communities through loans to new industrial enterprises and loans and grants for needed public facilities. I will soon make recommendations that will urge this act be improved and made permanent.

Under the Economic Opportunity Act, communities will be carrying out programs to provide new opportunity for low-income rural families.

The Department of Agriculture has a wide range of programs to assist in rural economic development—loans for telephone systems, for recreation enterprises, for development of forest resources, for community water systems,

and for rural housing. The small watershed and resources conservation and development programs add to business activity in rural areas.

The development of new job opportunities in rural areas has been considerably aided in the past by a strong program of rural electrification. The ability of rural areas to attract and support industrial activities—one of the fundamental solutions to the basic problem of our farm population—rests in very large part upon the availability of electric power. We must and will continue our efforts to enable those areas that do not presently possess an adequate power supply to meet their growing demands and insure that the benefits of industrial diversification are available in rural areas.

Many other activities of the Government are assisting businessmen and farmers to revive dying economies and raise the level of public services in rural areas. These include aid for community facilities, employment services, health and education programs, small business loans, job training, and development of outdoor recreation.

Yet gaps remain between the levels of living in rural America and those of urban America; in income, in education, in housing, in health, and sanitation facilities. Parity of opportunity remains a distant hope for many. It is a challenge we must meet head on.

REACHING OUT TO RURAL AREAS

In my earlier messages to the Congress, particularly those on education and health, I have proposed measures to assist those areas of our country and those families most in need, both urban and rural.

It is not easy to equitably distribute Federal assistance to a scattered rural population. Rural communities often lack the specialized organizations found in major cities which keep informed of development programs and initiate action to make use of them. Special measures must be taken both by the States, and by Federal agencies to reach rural people, particularly in remote areas.

Since it is clear that an administrative office for each Federal agency or program cannot and should not be established in every county, a method must be developed to extend the reach of those Federal agencies and programs which should, but do not now, effectively serve rural areas.

Accordingly, I have asked:

1. Each department and agency administering a program which can benefit rural people to assure that its benefits are distributed equitably between urban and rural areas.

2. The Secretary of Agriculture and the Director of the Budget to review carefully with the head of each department or agency involved, the administrative obstacles which may stand in the way of such equitable distribution. They should propose administrative or legislative steps which can be taken to assure that equity is attained to assure full participation by rural areas.

3. The Secretary of Agriculture to put the facilities of his field offices at the dis-

posal of all Federal agencies to assist them in making their programs effective in rural areas. The Secretary is creating within the Department of Agriculture a Rural Community Development Service, which will have no operating programs of its own but will devote its energies to assisting other agencies in extending their services. I have requested funds in the 1966 budget to finance this service and to strengthen the capacity of the Cooperative Federal-State Extension Service to assist rural communities in forming strong and active development organizations. In the meantime, I recommend that the Congress—

1. Enact legislation to equalize the availability of home mortgage credit in rural areas. This can be done by supplementing the mortgage insurance programs of the Federal Housing Administration with a rural mortgage insurance program to be administered by the Department of Agriculture. The Department has administered a direct housing loan program since 1949. But an insurance program will enable the Government to assist effectively a far greater volume of home building with a minimum of budget costs. The Federal Housing Administration has initiated action to extend the effectiveness of its insurance programs in areas where private lenders do not now fully utilize its services.

2. Increase the annual limit upon the Department of Agriculture's existing loan insurance program, which insures not only farm ownership loans but loans for community water systems and recreation development.

We have the opportunity now to provide the means by which people in rural towns and on inadequate farms can join the march toward a better life. We must seize this opportunity.

PARITY OF INCOME FOR AMERICAN AGRICULTURE

The commodity programs which were initiated 30 years ago in the administration of President Franklin D. Roosevelt have helped to create a commercially successful agriculture. I propose that these commodity programs be continued and improved.

Over the past 4 years our commodity programs have raised and sustained net farm income at an annual level nearly \$1 billion above 1960. Few activities so dramatically indicate the value to farmers of good programs well administered. Yet the consumer is the major beneficiary of farm progress. While retail food prices have risen in recent years, the prices of what the farmer sells have actually declined 15 percent since 1947-49.

Our agricultural abundance has also made possible the food stamp, school lunch, surplus food distribution, and special milk programs. These projects are essential to our needy people and to our schoolchildren.

The skill of our family farmers is not an accident. It is the product of a century of public policy aimed at improvement of our agriculture.

Research and education, credit and conservation, and price stabilization have all served us well. They have benefited

all Americans, though they were designed as programs for farmers.

Progress is never free of problems. Agricultural progress has made price and income support programs increasingly necessary and increasingly difficult.

The basic need for farm programs arises from the farmer's economic isolation and his enormous capacity to produce. We have today at least 50 million acres more cropland than is required to produce all of the food and fiber that we can consume plus all we can export. Without programs to guide production, new crop surpluses would be inevitable. Even relatively small surplus can depress prices below cost of production levels.

Independent studies by university economists are unanimous in their basic conclusion: the removal of price and income supports would have a catastrophic effect upon farm income.

For three decades we have had programs which, by one means or another, have sought to achieve a balance between supply and demand. Born in the emergency of the 1930's, they have countered the income-depressing potential of the revolution in agricultural production.

Our farm programs must always be adapted to the requirements of the future. Today they should be focused more precisely on the opportunity for parity of income for America's family farmers and lower Government costs. But we must recognize that farm programs will be necessary as long as advance in agricultural technology continues to outpace the growth of population at home and markets abroad.

We need to change much of our thinking on farm policy. Just as we do in other segments of our economy, we need to separate the social problems of rural America from the economic problems of commercial agriculture. We need to be concerned about both, but the answers to each may be different.

Our programs should—

Provide efficient family farmers an opportunity to earn parity of income;

Assist those small farmers who have little chance to enlarge their operations but whose age, physical handicap, or lack of education prevent their shifting to other employment;

Assist those farm families who seek to enlarge their productive resources in order to obtain a decent living and have the opportunity and capacity to do so.

We must also continue to tie domestic farm policies to our international trade objectives by pricing our products for export at competitive world levels and by relating our production to the longer term demands of world markets.

Our objective must be for the farmer to get improved income out of the marketplace, with less cost to the Government.

To do this, I am asking the Secretary of Agriculture to so utilize the Commodity Credit Corporation as to make the free market system work more effectively for the farmer. We must encourage the private segment of our economy to carry its own inventories, bought from farmers, rather than depending on the Government as a source of supply. We must urge the private sector to perform

as many services as possible now performed by Government agencies.

PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAMS

I recommend to the Congress that the programs now in effect for our major commodities be continued and improved.

These programs can continue to serve our objectives of increased freedom of operation, a steady improvement of incomes, a greater reliance on market forces, and lower Government costs.

Building on present programs, I recommend the following legislation:

WHEAT AND FEED GRAIN

Voluntary feed grain and wheat programs should be extended. Specific recommendations will be transmitted to the Congress which will permit the operation of these programs to be simplified and make it possible for additional crops—particularly soybeans—to be grown as needed on acreage diverted from grains.

Authority should be continued for the Secretary of Agriculture to set price-support levels and to adjust other program features as conditions may require.

COTTON

The cotton program of 1964 should also be extended and improved. It is essential that cotton be competitive with other fibers and in world markets. At the same time we must adopt measures to reduce the cost of this program and the level of stocks. Specific amendments to current legislation will be suggested to accomplish these objectives.

TOBACCO

The tobacco program must also be reappraised this year. Yield increases, higher Government costs, deterioration in quality, and loss of foreign markets have weakened what has been a highly successful program.

Legislation is needed to authorize production and marketing limits on an acreage-poundage basis. Consideration should also be given to revisions in our programs which will make American tobacco more competitive in world markets.

RICE

Consideration should be given to amending the price-support program for rice to support market prices at competitive world levels, and to provide additional supports for producer incomes from the proceeds of marketing certificates.

WOOL

The Wool Act which expires early next year is operating successfully to help stabilize wool production and bolster producer income. I recommend that it be extended with minor amendments which will be transmitted to the Congress.

LIVESTOCK

The sale of meat animals amounts to nearly one-third of all farm income. The stability of this vital phase of our farm economy is based on the continued stability in our feed supply.

We will continue to cooperate with livestock farmers and ranchers so as to maintain a fair price in the marketplace. We will help them to build markets here and abroad, and to preserve fair competition in the marketing

of livestock and livestock products, and continue our present measures which will prevent an undue increase in imports.

OTHER COMMODITIES

Continuing study is being given to programs and needs for other agricultural commodities and appropriate changes and recommendations will be made as circumstances may require.

TRANSFER OF ACREAGE ALLOTMENTS

I recommend that acreage allotments and bases under the several production adjustment programs be made transferable by lease or sale to family farmers in the same State.

This will permit some small farmers to expand their acreage. Others who no longer wish to farm can add to their incomes by leasing or selling their allotments.

LONG-RANGE CROPLAND ADJUSTMENT PROGRAM

The annual acreage diversion and acreage allotment programs now in effect should be supplemented by a long-term cropland adjustment program.

I recommend to the Congress a program which will reduce the cost of our production adjustment efforts, assist landowners in turning their land to non-agricultural uses such as recreation and to forestry, and assist small farmers who want to do other work while remaining in their communities. The proportion of land which could be covered by this program in any area should be limited to protect our communities.

Agriculture's excess production capacity is a longrun problem. A long-term land use program can achieve a large part of the needed adjustment more effectively and with greater benefits than annual diversion programs.

This program will reduce the annual cost of other programs by more than its own cost. It will provide enduring benefits not realized under present programs.

The purposes of the cropland adjustment program will be served if much of the land is permanently removed from production. Every reason exists, therefore, for applying a contribution from this program to the cost of public purchases of cropland for recreation, for enhancement of natural beauty, for prevention of air and water pollution, or for open space purposes.

I recommend that the authorizing legislation permit funds appropriated for cropland adjustment to be used to augment moneys raised by States and local governments and those which are provided by the Federal Government through the land and water conservation fund and other programs for public land acquisition.

RESERVE STOCKS

It is time to consider our requirements for agricultural commodities in a reserve for national security, for emergency relief purposes, and for domestic economic stabilization.

The President should be authorized to determine the levels of commodity stocks required and to take actions to insulate these stocks from the market so that they might be preserved for time of emergencies.

The costs incurred in maintaining that part of our commodity stocks designated as reserves should be separated from the cost of farm price and income support programs. The Commodity Credit Corporation would continue to manage the stocks in conjunction with price support operations.

AGRICULTURE TRADE

The welfare of American agriculture is closely linked to foreign trade. Our 1968 goal of \$6 billion farm product exports was reached in 1964. American farmers last year accounted for one-fourth of U.S. merchandise exports.

These exports have strengthened farm prices, brought additional business income, reduced our surpluses and storage costs, and have helped our international balance of payments. Abroad, they have contributed to political stability and economic progress.

We are not content with the gains we have made in world markets. We expect to make additional gains by improving the means by which we can be competitive in price, in quality, in service to our customers. We will merchandise our products actively, but with full regard to rules of commercial conduct between friendly nations.

In the trade negotiations underway in Geneva, we shall make every effort to achieve liberalization in agricultural as well as industrial products.

WORLD PROGRESS AND PEACE

The food-for peace program is good international policy and it is sound economic policy. Food is a powerful weapon for peace. People who are hungry are weak allies of freedom. Men with empty stomachs do not reason together.

We broadened the food-for-peace program last year and are continuing to study ways to broaden it further. Food shipments under this program help to expand it by building food habits which increase the demand for U.S. products. As the economies of recipient countries are strengthened through American aid, we are able to shift from outright grants of food to concessional sales for foreign currencies and later to sales for dollars.

Foreign currencies accruing from the sales of commodities under the food-for-peace program have also provided funds for a worldwide market development program, which has played a significant role in bringing about the dramatic increases in commercial farm exports.

This same program has also strengthened growing economies, contributed to rising standards of living, promoted international stability, and literally saved lives in many less developed countries. Our agricultural resources are thus making a significant contribution to the prospects for peace in the world.

These contributions must continue. They will be increasingly directed toward assisting agricultural development in less developed, densely populated countries, thus fostering overall economic growth, higher living standards and better nutrition. The disturbing downward trends in food output per person in both Asia and Latin America in recent years must be reversed. And these trends can be

arrested and reversed only by a massive mobilization of resources in both the food-deficit countries and the advanced countries of the industrial West.

As I pointed out in my message on foreign aid, we must use both our agricultural abundance and our technical skills in agriculture to assist the developing nations to stand on their own feet. Under our assistance programs we will make full use of the agricultural know-how in the Department of Agriculture and in the land-grant colleges and State universities. We will enlist the support and cooperation of private agencies and enterprises of all kinds.

To make this food aid most effective, we plan to gear our food-for-peace programs more specifically to the needs of recipient countries and their economic development programs. We may need more flexibility to assure proper nutritional balance in these programs, particularly as they relate to child feeding.

I am asking the Secretary of Agriculture and others concerned to study and recommend changes in agricultural policy that may be needed to accomplish these goals.

COMMISSION ON U.S. FOOD AND FIBER POLICY

All Americans have shared in the fruits of an efficient agriculture. All Americans share also the problems we face in the farm economy and in rural America in the years ahead.

Accordingly, to assist in adapting our farm programs to the needs of tomorrow, and in making rural America a full partner in our national economic progress, I intend to conduct a fundamental examination of the entire agriculture policy of the United States. I will reorganize the National Agricultural Advisory Commission—which has made an invaluable contribution in years past—into a new Commission on Food and Fiber. It will be broadly representative of rural communities, consumers, producers, industry, Government, and the public. I expect it to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America.

There are other parts of our agriculture which merit the support of Congress and the attention of all Americans. Conservation of agricultural land is making a contribution to the beauty and the development of our Nation. It can help even more as we attack pollution of our streams and the defacement of our landscape. Research and education must continue to speed our progress in agriculture, to insure the protection of consumers, and to make full opportunity more than a distant hope.

We must win the battle for a better diet. At the same time we must increase the demand for farm products. If the income of all low-income families were brought up to the \$3,000 annual level, per capita consumption of all food would rise by 2 percent. Meat consumption among these low-income families would rise by 15 to 20 percent; poultry by 10 to 15 percent; milk products by about 7 percent and fresh fruits and vegetables by 15 to 20 percent.

The Congress has repeatedly enacted legislation to encourage farmers to improve their economic position through cooperatives. This encouragement and assistance will be carried out, in terms of both the letter and the spirit of the law.

The task of achieving a life of quality and dignity in rural as well as in urban America is one that will engage our minds and hearts and our energies for a lifetime.

We begin with the conviction that this is a goal which is right. We go forward with the knowledge that the unparalleled harvest of today's rural America has been achieved because our ancestors said this, too, was a reasonable goal.

The path we follow may be long. But I am as certain of eventual success as was President Abraham Lincoln when he founded the Department of Agriculture a century ago and thus started us on the path to abundance.

LYNDON B. JOHNSON.

THE WHITE HOUSE, February 4, 1965.

THE PRESIDENT'S AGRICULTURAL POLICY

Mr. JONES of Missouri. Mr. Speaker, we have just listened to a great message from the President of the United States, setting five goals and objectives of this administration, with which I concur. I doubt if there is any area of disagreement as to the objectives, though as is usually the case, there might be some difference of opinion as to the procedure which should be followed in attaining these goals.

Frankly, I was apprehensive as to the recommendations that the President might make in his farm message, especially in view of statements made recently by the Director of the Budget. In the light of my interpretation of what the President has said and the assurance he has given, indicating his desire to extend to the rural population the "parity of opportunity" enjoyed by other segments of our society, I am encouraged to believe that the recommendations for legislation which will come from the Secretary of Agriculture, will reflect this recognition of the "farm problem" and the President's desire to secure for the farmer "an improved income out of the marketplace, with less cost to the Government."

Representing that area which grows all of the cotton that is produced in the State of Missouri, I am naturally interested in the future of this crop, along with the other commodities produced in the 10th District of Missouri. I am pleased that the President recognizes the importance of cotton and has recommended that along with other basic crops, "the cotton program of 1964 should also be extended and improved," and I could not agree more with his conclusion that, "it is essential that cotton be competitive with other fibers and in world markets." It has been disappointing to all of us that surpluses have increased during this past season, due in no small measure to our inability to meet the goals which had been set in export sales, and it is my hope that the specific

amendments to current legislation which will be suggested, will include a more aggressive and a more effective policy to insure increased export sales. Specifically, it would appear that this could be possible through the adoption of a policy, implemented by legislation, to include "fiber" in any "food for peace" program, making it a "food and fiber for peace" program. Further, by insisting on the substitution of both food and fiber, for dollars, insofar as practicable and possible, and certainly to use every precautionary measure to insure that none of the dollars contributed or advanced in any aid program, be used by any recipient country in the purchase of agricultural commodities, which the United States has in abundance, from any other nation.

As this Representative has pointed out on many occasions in the past, in some of our various assistance programs, where this Nation has contributed hard-earned taxpayers' dollars, these same dollars have been used in the purchase of agricultural commodities from other nations, particularly wheat, when the United States had such commodities in great abundance. These commodities could have been given in lieu of dollars.

This Representative views with some alarm and apprehension the recommendation that acreage allotments be made transferable by lease or sale to family farmers in the same State, since this would permit the transfer or sale of allotments from low yield or marginal operation areas to areas of heavy yields, thereby increasing surpluses. By limiting such transfer or sales within the same county, would still permit small farmers to expand their acreage. It might be well also to consider outright sale of acreage allotments to the Government, thereby compensating the small, marginal operator over a period of years, but permitting the allotment so acquired to be held in a special reserve. This would serve to reduce production, at the same time benefiting the small farmer during a period of readjustment. There is the same basic reason for prohibiting the transfer of acreage allotments from outside the county, or production area, that there is for prohibiting the transfer of acreage allotments across State lines.

President Johnson is to be applauded for pointing out in this message and emphasizing the oft-overlooked fact that all Americans have benefited from the wide variety of programs, directly chargeable to the agricultural appropriation, while the consumer has been the major beneficiary of farm progress. It has been estimated, and I believe correctly, that not less than two-thirds of the agriculture budget is spent on programs which benefit persons other than those directly engaged in the production of our food and fiber. I am referring, of course, to the food stamp program, school lunch, surplus food distribution, meat and poultry inspection, food for peace and other foreign aid programs, subsidized sales to the Armed Forces at home and abroad, and so forth. While some 30 years ago, many were disturbed by the prediction that our expanding population would in the foresee-

able future tax the agriculture production of the United States and that by the end of the century this Nation would be unable to produce the food necessary to feed its own people, we now find ourselves in the position so dramatically described by our President when he said, "We have today at least 50 million acres more cropland than is required to produce all of the food and fiber that we can consume plus all we can export."

No one can charge the American farmer with inefficiency. He has been the victim of his own resourcefulness, his initiative, his hard work, and his capacity to implement the advanced technology through which production records continue to be shattered year after year. Again, as the President stated, "The skill of our family farmers is not an accident. It is the product of a century of public policy aimed at improvement of our agriculture." The American farmer has earned the esteem and respect of his fellow countrymen, and we cannot forsake him at this crucial period in our history.

Mr. PURCELL. Mr. Speaker, numerous Americans have expressed concern in recent weeks and months about what was rumored to be the President's agricultural policy. Today the President has spoken and, as those of us who know the President's deep concern for rural America expected, there was no reason to fear his views or his program.

Repeatedly during the campaign of last year, our great President told us of his concern for rural America. He promised that one of the main goals of his administration would be to work for elimination of rural poverty and the adoption of farm programs which would enable the farmer to receive his fair share of our Nation's economic abundance.

Now, in his message to the Congress today, our President has set forth the policy to carry out his goals. It deserves, and will receive, careful study by the Congress. But a first appraisal of the President's statements and recommendations is most encouraging to me.

In speaking of commodity programs, which have helped to create the world's finest agricultural system, the President said, "I propose that these programs be continued and improved." This statement is repeated again later in his message. For those who have expressed fear in recent days, these words should be a source of encouragement.

The President has proposed the extension of the wheat program. I applaud him for this because the wheat program has brought increased income to our wheat farmers. It has reduced further our surpluses of wheat and it has held prices stable for our consumers. It has been popular in the wheat-growing areas of the country. I know because I have heard from the people in these areas and they want to see these programs continued.

The President has not set forth all details of the program in its continuation and he has thereby given us in the Congress a chance to work with the administration in trying to strengthen this pro-

gram and to improve it as we continue it for future years.

I command the President for his outstanding message and I know that agriculture, rural America, and the Nation as a whole will benefit from his proposals and recommendations.

The policy set forth in this message indeed justifies the faith and confidence in President Johnson which rural America expressed last November 3. With the President's support, we can now proceed to tackle the complex and significant legislative problems which face us in the field of agriculture.

Equally as important, however, is the President's expressed concern for the future well-being of all rural Americans. His message today outlines the needs of these citizens. While they represent an ever-decreasing minority in this country, our citizens in rural areas are vital to both our economic and cultural well-being.

I am sure that my colleagues who represent primarily urban areas will study this message closely, and that they will approach with an open mind the needs of rural America, just as those Representatives from rural areas have always been sympathetic to the needs of their neighbors in the cities, and will continue to be.

I come from a district which is essentially rural. I find in this message so much that will be of benefit to my constituents but when my constituents benefit, all citizens in the country benefit because the strength of rural America is vital to the strength of all our people and food is one of our basic necessities.

This is a time for all Americans to pull together for the needs of all other Americans. Our President's programs have this as their primary goal. His compassion and desire to serve humanity should be the guide for each of us.

Mr. ALBERT. Mr. Speaker, the President has stated that the National Agricultural Advisory Commission has made an invaluable contribution over past years, and he has called for broadening the duties of this Commission under a broader membership and a more significant name—Commission on U.S. Food and Fiber Policy. I would like to take this opportunity to commend the outstanding men who have served on the National Agricultural Advisory Commission for their wonderful performance during the years since the National Agricultural Advisory Commission was formed. This Commission was organized under a Republican administration and continued under Democratic administrations. From the start, it has been a bipartisan Commission. Its principal criteria for membership was outstanding ability and close association with farm problems of this country. Because of its bipartisan nature and because of the outstanding men who have served on the Commission, it continued to give invaluable advice for more than 10 years.

This Commission has done more than give oral advice. It has written penetrating reports on some of our toughest agricultural problems. The recommendations of these reports have gone far in helping us to develop sound agricul-

tural programs. However, we now need advice not only on farm programs but upon the various aspects of our society which are linked to farm programs—some in a direct manner and some in not so a direct manner. The President is most perceptive in recommending a broadening of the membership and responsibilities of this Commission.

I am sure that the spirit which has prevailed in this Commission during its entire history will continue and it will continue to consist of men of outstanding ability who are chosen because of their intimate knowledge of the problems we are likely to face.

I commend the President for continuing and expanding this valuable advisory group.

Mr. HAGEN of California. Mr. Speaker, the President's recognition of the valuable work of the National Agricultural Advisory Commission and his request for an expansion of its responsibilities are indeed welcomed. All of us are acquainted with the outstanding work of this group of men as shown in their reports, some of which are: "The Family Farm in American Agriculture," "Food and Fiber Reserves for National Security," and "Farm Policy in the Years Ahead." Despite this valuable work, the President recognizes that even broader problems face those who will be concerned with agriculture in the future. These include the problems of nonfarm rural communities, the problems of industry dependent upon agriculture—some as consumers of farm products and some as producers of farm equipment and supplies—the problems of ultimate consumers who are fed by our marvelously efficient agricultural plant; and, of course, the interests of the public, which includes all of us.

With a broadened charter, the Commission on Food and Fiber Policy will become even more of a blue-ribbon Commission than the National Agricultural Advisory Commission was in the past. I hope that many of the members of the National Agricultural Advisory Commission who have done such outstanding work in the past will continue to serve on the new Commission and I hope that those who will be appointed will complement the abilities of those who are reappointed. The advice of this new Commission should go far toward helping us on our knotty farm problems and toward helping us solve the problems of the nonfarm segment of our rural communities. The importance of this Commission cannot be overestimated.

Mr. SISK. Mr. Speaker, I have studied the President's message on agriculture and I believe that he has indicated that once again his interest in agriculture, his knowledge of agriculture, and his understanding of the problems that those who live in rural America today are faced with.

I was particularly interested to read and study his proposals for the various commodity programs.

First, I was pleased to see his recommendation that we continue the commodity programs which are currently in existence. Although I realize that these programs are not perfect, nor do they

do all that each of us desire, they have proved valuable to agriculture during the last 4 years. The net income of the farmers is up, our surpluses, generally, are down, and our consumers have a stable supply of food at the lowest cost to them in history.

I was happy to see the President's recommendation to continue the cotton program which we passed last year. The cotton industry of this country, from grower to processor, was in a difficult state previous to the passage of the program last year.

Now the grower can plan on a reasonable and stable income, those in the cotton trade can make their plans based on a program that can be understood and those who process cotton in the mills can offer competition to foreign producers.

Cotton was on its back last year. Cotton is now rising to its knees under this program to take its place again as an important and stable industry in this country. The President's recommendation to extend and improve the program is an important contribution to strengthening the cotton industry. I congratulate him on this proposal in the agricultural message.

Mr. SMITH of Iowa. Mr. Speaker, the President has requested authority to accumulate reserve stocks of agricultural commodities. These reserves should not be considered as reserves exclusively for national defense. They are reserves to meet civilian emergencies, such as flood, fire, or more massive disasters like the Alaskan earthquake and they are reserves to prevent inflation in the event of weather disasters or other natural disasters.

Our wonderfully efficient agricultural plant has provided us with stocks of many commodities which can be used to start this wonderful reserve. Furthermore, this start can be accomplished without the outlay of any money to acquire such insurance. We have the stocks of wheat; we have the stocks of feed grains; and we have the stocks of cotton which would be needed to meet any conceivable reserve needs. We have some stocks of other commodities, but in the nature of farming, larger accumulations of many of these commodities will occur sooner or later. When this happens, we can fill our remaining reserve needs.

We only have to look at the famine-ridden countries of the world to realize the value of the reserves produced by our Nation's farmers. All of us have read in the paper about food riots in India. Adequate stocks of grain would have prevented such a disaster. All of us recall the horror of the Alaskan earthquake last year. We have no worries about starvation here even with such a monstrous disaster because of our agricultural production. The recommendation of the President is welcomed as a deliberate policy to insure ourselves against disasters caused by a shortage of farm products.

Mr. OLSON of Minnesota. Mr. Speaker, the President's farm message shows great understanding of the many complex problems of rural America. Rural America, as the President pointed out,

is home to 30 percent of our Nation's population. The first sentence of the message is challenging enough to stir the interest of everyone. It reads:

The bounty of the earth is the foundation of our economy.

For 30 percent of our citizens, it is this knowledge that causes them to be concerned with the level of farm income. The full text of the message graphically portrays to that portion of our society that does not live on our farms and in our small towns that their lives are greatly affected by the conditions and capacities of rural America. I am sure a greater appreciation will result of the scope and magnitude of the problems we must deal with.

The President expressed clearly his desire to lead in presenting programs for congressional action. It is now the duty of the Congress to aid in seeking the specific actions necessary to improve farm income and enhance life in rural America. The message ended the concern of recent weeks that those who have no real understanding of agriculture's problems would find expression. Though there are many areas that need expanding and some that need to be included by congressional action, I am especially pleased that the President has recommended reserves of farm commodities for national security and emergency relief purposes. The accumulation of such reserves would insure against the effects of disaster. They are not reserves to be used in normal times.

I recall clearly the great shortage of grains which developed at the end of World War II. The United States was the world's breadbasket, and without our large stocks of grains, many people of the world would have died of starvation. Our large stocks have caused many problems, but in times of disaster they are a wonderful asset.

More recently, I recall a plea from India to the United States for additional grain to feed her teeming million. Because our production of food grains was so efficient and because we had large stocks of such grains, we were able to step in and bridge the gap between India's needs and her grain output.

Domestic disaster also calls for the use of reserve stocks. Many of us can remember the floods of the mighty Mississippi or the Alaskan earthquake. Who knows where food and fiber reserves will be needed next?

We should not put ourselves in the position of being short of agricultural commodities to meet emergency needs. I commend the President for his courage in requesting authority to hold reserves in order to fight disaster.

Mr. GREIGG. Mr. Speaker, President Johnson's message reaffirms his faith in rural America. In so doing, he has reaffirmed his faith in the future of all America.

Of utmost importance is the President's recommendation that the voluntary feed-grains program must be continued. In addition to this program, a careful evaluation of all programs affecting our agricultural economy is in evidence in the message. As we recognize the complexities of our agricultural econ-

omy, I applaud the President's intention, to conduct a fundamental examination of the entire agricultural policy of the United States.

The future of our free society depends, to a large degree, on the stewardship of the soil. As I analyze this measure, it is far more than just a farm message—it is a national message.

Mr. SCHMIDHAUSER. Mr. Speaker, President Johnson's message to the Congress on agriculture embodies the greatest and the most promising breakthrough for rural America in modern times.

The President's message is very encouraging for the entire feed-grains economy. His message not only embodies recommendations for the improvement of the feed-grains program, but for improvement of the related cattle and sheep industries as well. This message is directly designed to encourage and strengthen the family farm. I consider the inclusion of the national defense food reserve program a vital addition to our existing agricultural policies.

This message assures that the full weight of the leadership of President Johnson will be exercised in the behalf of those of us in the Congress who are seeking sound agricultural legislation. All in the Middle West owe President Johnson and Vice President HUMPHREY a debt of gratitude for their efforts in insuring that the needs of the feed-grains economy will be met.

The President's message puts to rest the widely circulated notion that this administration would be a party to a program that would drive more agricultural producers from the land. I particularly applaud the President's recommendation that the feed-grains program be continued and strengthened, his request for creation of a national food reserve, and his emphasis on export trade and the food-for-peace program. The recommendation of a Commission on Food and Fiber is not only fitting recognition of the great service that agriculture has provided all Americans, but is a recognition of the fact that our whole national economy is dependent upon a strong agricultural sector. Finally, it is most encouraging that the President's message included the recommendation of a concerted effort to combat water pollution to preserve for future generations our abundant and beautiful natural resources.

Mr. HANSEN of Iowa. Mr. Speaker, as a Representative of one of the most farm oriented districts in the United States, I feel impelled to comment on the farm message of President Johnson.

This is in my judgment the best farm program advanced in several years. I was particularly pleased to see the concern for the small farmer expressed by the administration. Contrary to many rumors that were abroad about the plan of the administration to turn its back on the problems of agriculture, I feel the administration has placed before the American people the role of agriculture in its true perspective when it recognized that, "Progress in every aspect of our Nation's life depend upon the abundant harvest of our farms."

The request of the President for a strengthened parity program heartens

all of us who have been working for an increased share of the national income for the farmer.

This program has, in my judgment, put to rest the charge that the administration wants to eliminate all but 1 million farmers. From what has been presented here, it is quite evident there is no desire nor plan to force persons off the farm by economic attrition. Rather there is a deep concern that those who have served as stewards of the soil for so long, be given a helping hand when necessity requires it.

I am particularly pleased with the proposals concerning the voluntary feed grain program and the provisions made on beef imports. I feel confident it is a program that the new Democratic Congressmen from the Midwest can support.

[Mr. BANDSTRA addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. CULVER addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. CALLAN. Mr. Speaker, the message on agriculture by the President will give confidence to not only farmers but to the whole agricultural community.

One of the most significant paragraphs in the message is the one which reads:

Farm policy is not something separate. It is a part of an overall effort to serve our national interest at home and around the world.

If the Congress will attack the problems of agriculture with this philosophy, then farm legislation can be written which will be indeed in the best interest of not only the American farmer but every segment of the national economy.

Mr. REDLIN. Mr. Speaker, President Johnson's longstanding concern for rural America is reflected in his message on agriculture. I feel certain, moreover, that the President requested and received invaluable counsel from another friend of agriculture, Vice President HUBERT HUMPHREY.

Those of us from rural areas are reassured by the message, which places in perspective the vital role of agriculture in the national economy. As a Representative of North Dakota, I am particularly pleased by the emphasis on continuing and improving the wheat and feed grain programs.

I realize, of course, that the message necessarily sets forth general concepts and that exhaustive work remains in filling in the details, but the message provides a good framework with which to begin.

GEOGRAPHICAL DISTRIBUTION OF RESEARCH AND DEVELOPMENT

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. ROUSH] is recognized for 30 minutes.

(Mr. ROUSH asked and was given permission to revise and extend his remarks.)

Mr. ROUSH. Mr. Speaker, no problem is born big. It reaches the acute, dangerous state because we are unaware of its evolution or choose to ignore it.

the President or his advisers that it will change.

In fact on the very day the Senate Appropriation Subcommittee eased the ban on foods to Cairo, Nasser's Egyptian Government agreed to represent Communist China in Burundi, after that government closed the Peiping Embassy and invited its officials to leave because of subversive activities.

This "sign of our times" shows the link that Communist China has established with Nasser in Africa and how closely they are working together.

If administration officials would only look at their intelligence reports, they would learn that Nasser is delivering to the Congolese rebels some of the latest model Soviet-made weapons—including some that are even better than those in the U.S. Army's table of organization.

One such weapon, I understand, is a recoilless repeating bazooka, which startled intelligence experts of both the military and the Central Intelligence Agency.

Mr. Speaker, certainly we do not want to be a partner with Nasser and the Soviet Union in putting these arms in the hands of the Congolese rebels who are bent on destroying all of our missionaries of whatever faith, in the Congo.

It is Nasser who is denying food to his own people by helping the Soviet Union wage their "wars of destruction" throughout Africa.

Mr. Speaker, on February 1, 1965, Acting Secretary of State George W. Ball, testified before the Senate Appropriations Committee as follows:

We ask, therefore, that the Congress not limit the President's freedom of action in the conduct of our relations with this key country during the weeks ahead.

Mr. Speaker, title VII, United States Code, section 1721 states:

In order to enable the President to furnish emergency assistance on behalf of the peoples of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 1706 of this title) as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent or extraordinary relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

Furthermore, Mr. Speaker, I have been advised by the American Law Division of the Library of Congress, that under the law, the President may use his contingency fund if he feels the good faith and honor of this country has been affected by House action on House Joint Resolution 234.

In summary, then, Mr. Speaker, I should like to remind Members of the House that my amendment was limited to title I sales under Public Law 480. It does not affect title II, III, and IV, and under these titles the President, in my opinion, still has plenty of room to maneuver if he sees fit, for under title II the President has the authority to donate surplus agricultural commodities to nations to meet emergencies; under title

III, the President has the authority to assist international welfare agencies, international feeding programs, and to participate in barter transactions; under title IV, the President has the authority to sell surplus agricultural commodities to nations for dollars.

Now, to those who would argue that the Congress has no right to act as we did in this area, I would remind them that Public Law 480 was a creation of the Congress, and so we have every right to amend provisions, oversee, and evaluate its operation, or repeal it, for that matter.

I do hope the House will stick by its guns and stand by its original position, by voting in support of my motion to instruct the conferees when this matter comes up for consideration next Monday.

PRESIDENT JOHNSON'S STATEMENT ON AMENDMENT RELATING TO SALE OF SURPLUS COMMODITIES TO THE UNITED ARAB REPUBLIC UNDER TITLE I OF PUBLIC LAW 480

(Mr. ALBERT asked and was given permission to insert a statement of President Johnson at this point in the RECORD.)

Mr. ALBERT. Mr. Speaker, President Johnson's statement at his press conference on the amendment relating to sales of surplus commodities to the United Arab Republic under title I of Public Law 480 is as follows:

Last week the House adopted a proposal that would, if enacted, preclude the United States from carrying out our present 3-year agreement, ending this June, to sell surplus commodities to the United Arab Republic under title I of Public Law 480. Yesterday, the Senate passed a modified version of this proposal, which would permit the completion of details of the agreement if I, as the President, determine this to be in our national interest.

It is of the greatest importance that the flexibility provided to me by the Senate action be sustained by the Congress. Our relations with the United Arab Republic present difficult problems in a highly sensitive area of the world; the area where tensions are high. The basic purpose of our policy in this area has been, and will continue to be, the protection of our vital interests. To do this it is essential that I have freedom of action.

It is obvious that an improvement in relations between our two countries will require efforts on both sides. It is impossible to predict whether such an improvement would be achieved. But if there is to be any chance of success at all, it can only be if I have adequate flexibility to deal with this complex and volatile situation.

RACIAL TROUBLE IN SELMA, ALA.

(Mr. HAWKINS asked and was given permission to address the House for 5 minutes and to revise and extend his remarks.)

Mr. HAWKINS. Mr. Speaker, it is not my intent to answer anything that has been said to those of us who have voluntarily taken upon ourselves the opportunity to travel and assist a State of this Union. I have personally been invited by the Southern Christian Leadership Conference and by Dr. King and

by citizens of Selma to observe what is going on in that State. It is not my intent to test any law, and it is not my intent even to stay in one of the hotels of that State. It is my intent to stay in a Negro home when I go to Selma, Ala., and to return to Washington with great dispatch. I do not consider my trip to Alabama or to any other State of the Union as being for the purpose of agitating or engaging in any type of activity which would prompt anyone to be placed in danger. It is my intent to go as an observer. I certainly will avail myself of the opportunity to seek information on both sides. I would hope that the public officials of that State would meet with us and try to work out with us some understanding of what is happening in that State. A few days ago I saw a picture in the newspaper. I do not know whether it is authentic or not, but this was a picture of a woman, and it happened to be a Negro woman, who was lying on the ground. Three sheriffs were on top of her and a police stick was upraised and used on this woman while she was on the ground. This does not, to me, as an American citizen, portray the image of a good State nor, certainly, of law-abiding individuals engaged in the proper enforcement of the law. If this happened in my city, I quite assure you that there would certainly be a great uproar. I am not judging this and I am not saying that this woman was right or wrong and I am not saying that the law officials were right or wrong. However, it certainly indicates to me that there may be something wrong, for which reason other Americans at least should attempt to observe the situation so that they will have some knowledge of what is going on there. As I have indicated, others will be going with me. I am certainly not the chairman of this group. I did not organize it. I am simply one who has seen fit to join it. I certainly hope that the expressions that have been made today on both sides will be helpful in bringing about some type of understanding of what has happened in our American society.

To me brotherhood is not so wild a dream as it is to those who propose postponing it pretend. Personally I believe we can bring about brotherhood even in the Southern States. I was born in a southern State myself before my family migrated to Los Angeles. So I think I can speak as a southerner. I think I know something of the feelings of southerners. I know of the great emotions that have been aroused as a result of some of these happenings. I know that this Congress has passed three laws to secure the voting rights of the citizens of every State of this Union. I do know and feel that some of these laws are not being upheld. Whether the law should be strengthened is something which is certainly worthy of some attention. If I shall have observed something in Alabama that might make me a better Congressman or put me in a better position to recommend something to strengthen brotherhood in our country then I think certainly a great mission will have been accomplished.

I doubt seriously that this will be a world-shaking event. I do feel that neither I nor anyone else will be placed in jeopardy for making this trip. And I should certainly hope that the State of Alabama will profit as much as my own State from my trip to Alabama.

Mr. Speaker, I want to repeat that I am going at my own expense. As has been indicated I voluntarily designated myself to go to this State. There has been no impression given that this is an official committee of this House or that we are speaking for any other Member of this House. We are going merely as observers. I hope that my colleagues from Alabama will join us on this mission, will meet with us and join with us in a spirit of cooperation, as that has been expressed, so that we may bring back something more constructive.

As I have said, this is a simple trip of an American citizen to an American State of this Union and as such it seems to me it should be supported by all of us and not condemned by any of us.

THE FARM MESSAGE

(Mr. POAGE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. POAGE. Mr. Speaker, the President's message should set at rest the very proper concern which has disturbed so many of our people since the Director of the Budget wrote his much quoted article which many people interpreted to indicate a desire to force some 2½ million farm families out of their homes.

The President is a practical man and he has repudiated any such proposal.

He realizes that even though some of those now living on the farm will not be able to make a reasonable livelihood farming that it is much better for these people to stay where they are than it is to move them into the big cities.

The President's message clearly outlines the problems of our rural people and suggests a continuation of our present voluntary price support and production adjustment programs. I think this is a wise and a sound approach. As a Member of Congress I shall try to help the President keep these programs in operation.

I would emphasize, as did the President, that every impartial study has shown that the removal of price and income supports would have a catastrophic effect on farm income and farm income is too vital to our entire economy to be dealt with lightly. I am happy that the President has again indicated his deep concern for the welfare of those who provide the food and fiber for America.

THE SITUATION IN SELMA, ALA.

(Mr. MOORE asked and was given permission to address the House for 3 minutes and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, I have a strong belief that the situation and the circumstances in Selma, Ala., are of such importance as to merit consideration by the House of Representatives of the U.S. Congress. The appropriate authority in this House for such an inquiry into

these facts and circumstances I believe is the Committee on Judiciary of the House of Representatives. I have therefore today requested the Honorable EMANUEL CELLER of New York, chairman of the House Committee on the Judiciary, to select from the membership of that committee a number of its members to visit Selma, Ala., for the express purpose of determining for themselves what the actual facts are. This committee of the House has direct jurisdiction over the legislative matters involved herein. I believe we should immediately determine the actual facts as they are found to exist in Selma, Ala.

Mr. Speaker, I am hopeful that the chairman of the Committee on the Judiciary will act promptly and accede to my request that members of that committee be dispatched in a quasi-official mission to Selma, Ala., so that this House may have before it a complete recital of the facts and circumstances as they actually exist.

Mr. SELDEN. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I will be happy to yield to the gentleman from Alabama.

Mr. SELDEN. Mr. Speaker, I would like again to point out, as I did earlier today, that responsible citizens of Selma have asked that a duly appointed and impartial congressional group come down and ascertain the correct facts. Day before yesterday both the gentleman from Alabama [Mr. GEORGE ANDREWS] and I talked with Chairman EMANUEL CELLER of the House Judiciary Committee and made that request. We also appeared yesterday before the Senate Judiciary Committee with the same request. We felt that any investigative group that goes to Alabama should be composed of members of the Judiciary Committee of both the House and the Senate. Although no action has been taken as yet on our request, I am introducing today a joint resolution the purpose of which is to set up a joint committee in the event either Judiciary Committee chairman feels he presently does not have the authority to make these appointments.

Mr. Speaker, while I question the advisability, I certainly do not question the right of any Member of this body or any citizen of the United States to visit Selma. It should be made perfectly clear, however, that any self-appointed group from the Congress that goes to Selma does not in any way represent an investigative committee of the Congress of the United States.

Mr. MOORE. I took note of the meetings that were announced by the gentleman from Alabama and one of his colleagues. I believe as a supporter of the Civil Rights Act of 1964 it is entirely appropriate for me as a member of the Committee on the Judiciary to request that that committee which has the legislative jurisdiction in this area should move to obtain the facts and circumstances that exist there. I have, therefore, asked Chairman CELLER as a member of the committee, to follow through and designate Members to officially go down and take a look at the situation.

Mr. SELDEN. I want to say to the gentleman from West Virginia [Mr. MOORE] that I welcome his support.

(Mr. GONZALEZ (at the request of Mr. OTTINGER) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. GONZALEZ' remarks will appear hereafter in the Appendix.]

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[Mr. GONZALEZ' remarks will appear hereafter in the Appendix.]

CONCURRENT RESOLUTION CONDEMNING THE SOVIET UNION FOR PERSECUTION OF THE JEWS

(Mr. ROOSEVELT (at the request of Mr. OTTINGER) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROOSEVELT. Mr. Speaker, I have today introduced a House concurrent resolution condemning the Soviet Union for persecution of the Jews.

I have asked representatives from both political parties and from all sections of the country to join me in condemning Russia for singling out Jews for extreme punishment for alleged economic offenses, confiscating synagogues, closing Jewish cemeteries, arresting rabbis, and lay religious leaders, and curtailing religious observances.

My resolution also protests the Russian practice of discriminating against Jews in cultural activities and access to higher education, imposing restrictions that prevent the reuniting of Jews with their families in other lands, and through other acts oppressing Jews in the free exercise of their faith.

An identical resolution has been offered in the Senate by Senator ABRAHAM A. RIBICOFF, of Connecticut, and 67 cosponsors. I have asked House Members to introduce resolutions identical to mine so that the House and Senate resolutions would be uniform and so that by a showing of significant support the Foreign Affairs Committee will be encouraged to take early action.

I am delighted to announce, Mr. Speaker, that I have been joined by many Members of this body, who have indicated to me that they share my concern and views. I wish to thank each of my colleagues for their supporting resolutions. Further, I call to the attention of the House that these resolutions have been introduced simultaneously, indicating a unanimity of concern.

PERSECUTION OF JEWS IN THE SOVIET UNION

(Mr. MULTER (at the request of Mr. OTTINGER) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MULTER. Mr. Speaker, I am pleased today to join more than 80 of our colleagues in sponsoring a concurrent resolution condemning Soviet anti-

Digest of CONGRESSIONAL PROCEEDINGS

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HIGHLIGHTS: Both Houses received President's farm bill. Several Senators discussed President's farm bill. Senate passed tobacco acreage-poundage bill. House passed: USDA administrative omnibus bill; bill to extend Food Marketing Commission; Treasury-Post Office-Executive Office appropriation bill. Rep. Findley criticized and Rep. Purcell commended farm bill. Sen. Ellender and Rep. Cooley introduced and discussed farm bill.

SENATE

1. FARM PROGRAM. Both Houses received the President's proposed farm bill; to Senate Agriculture and Forestry Committee and House Agriculture Committee (pp. 6759, 6677). In introducing the bill Sen. Ellender discussed it and inserted a summary of it. He stated: "...Title I would extend the voluntary wheat certificate program for 2 years with a few changes..." "...Title II of the bill would also extend the voluntary feed grain diversion program for 2 years with certain changes." "Title III contains a 2-year certificate

program for rice..." "Title IV would extend the Wool Act for 2 years with some minor changes." "Title V provides for a cropland adjustment program under which land would be taken out of production under longterm agreements with producers." "Title VI provides for transfer by sale, lease, or other means of acreage allotments, base acres, and sugar proportionate shares." Sen. Ellender expressed the hope that the Senate committee can begin hearings within 3 or 4 weeks. (pp. 6783-5 Sen. McGovern defended the proposed legislation (pp. 6739-40).

2. TOBACCO. Passed, 54-16, with amendments H. R. 5721, to provide for acreage-poundage marketing quotas for tobacco, which had been reported with amendments on Apr. 2 during adjournment (S. Rept. 145). Agreed to Jordan (N. C.) amendments of a "technical corrective nature", committee amendments as modified, and Talmadge amendment providing for apportionment of national marketing quotas for Flue-cured tobacco when such quotas have been effective for the previous year. Rejected a Talmadge amendment to postpone for 1 year the acreage-poundage program on Flue-cured tobacco and to put Flue-cured tobacco on the same basis as burley tobacco. pp. 6681, 6659-80, 6785-6, 6788-96, 6799
3. NOMINATIONS of R. Watkins Greene and Ralph K. Cooper to the Federal Farm Credit Board were confirmed. pp. 6681, 6801
4. COSPONSORS were added for S. 1446, Wild Rivers System; S. 1584, GSA controls regarding automatic data processing; and S. 1605, certain river basin plans for flood control. pp. 6685-6
5. SOIL CONSERVATION. Sen. Mansfield inserted a statement by Sen. Nelson, "The Threat to America's Soil Conservation Programs." pp. 6700-2
6. SCHOOL LUNCH PROGRAM; PINEAPPLES. Sen. Inouye spoke in support of the school lunch program and the importance of pineapples in this program. pp. 6702-3
7. PHYSICAL FITNESS. Sen. McGee spoke on the importance of physical fitness and commended the isometric rope. pp. 6711-13
8. WILD RIVERS. Sen. Church inserted an editorial favoring the proposed legislation for a Wild Rivers System. p. 6713
9. CONSERVATION. Sen. McGovern inserted and commended an address by Sen. Anderson commending various conservation programs. pp. 6725-7
10. FARM LABOR. Sen. McCarthy commended the record of Secretary Wirtz in connection with the Mexican farm labor program. p. 6740
11. FOREIGN TRADE. Sen. McCarthy inserted an address before the National Farmers' Union by Roger Savary explaining the work of the International Federation of Agricultural Producers. pp. 6740-1
12. FOOD FOR PEACE. Sen. Mondale inserted a statement by James G. Patton commending Vice President Humphrey for his efforts in connection with the food-for-peace program, etc. pp. 6744-5
13. PACKAGING. Sen. Mondale inserted letters he has received which criticize packaging by various companies. pp. 6746-7

14. LEGISLATIVE PROGRAM. Sen. Mansfield said the military procurement bill is to be considered today, followed by the education bill on Apr. 7. p. 6790

HOUSE

15. ADMINISTRATIVE PROVISIONS; OMNIBUS BILL. Passed without amendment H. R. 5508, to facilitate the work of this Department (pp. 6584-6). See Digest 35 for a summary of the provisions of the bill.
16. FOOD MARKETING. Passed, under suspension of the rules, H. R. 5702, to extend for one year (until July 1, 1966) the date on which the National Commission on Food Marketing shall make a final report to the President and to the Congress, and to authorize \$1 million additional for the work of the Commission. pp. 6587-90
17. TREASURY, POST OFFICE, AND EXECUTIVE OFFICE APPROPRIATION ACT, 1966. By a vote of 344 to 7, passed without amendment this bill, H. R. 7060 (pp. 6606-38). The bill includes funds for the Budget Bureau, Council of Economic Advisers, and Advisory Commission on Intergovernmental Relations.
18. SECOND SUPPLEMENTAL APPROPRIATION BILL, 1965. The Appropriations Committee formally reported (on Apr. 2, during adjournment) this bill, H. R. 7091 (p. 6677). See Digest 59, part 2, for a summary of items of interest.
19. FORESTRY. Passed as reported H. R. 398, to permit the exploration, development, utilization, entry, and patent of the mineral resources on approximately 7,178 acres of land in the Gunnison, Rio Grande, San Juan, and White River National Forests in Colorado. pp. 6583-8
At the request of Rep. Cooley, H. R. 6891, to provide for family winter recreational use of a portion of the San Geronio Wilderness Area, San Bernardino National Forest, Calif., was rereferred from the Agriculture Committee to the Interior and Insular Affairs Committee. p. 6587
20. NATIONAL PARKS. The Subcommittee on National Parks and Recreation of the Interior and Insular Affairs Committee voted to report to the full committee with amendment H. R. 500, to provide for the establishment of the Agate Fossile Beds National Monument, Nebr. p. D263
21. MANPOWER DEVELOPMENT AND TRAINING. Conferees were appointed by both Houses on S. 974, to amend and extend the Manpower Development and Training Act of 1962. pp. 6638, 6786-8
22. FARM PROGRAM. Rep. Purcell commended the administration farm bill, particularly the wheat provisions, stating that the voluntary certificate wheat program has been favorably accepted by the farmers, reduced costs and the wheat surplus, and has maintained the income of wheat farmers at a fair level. p. 6676
Rep. Findley criticized the farm bill, particularly the feed grain provisions, stating that the "Secretary could easily get soybeans into the same surplus trouble which has beset corn, wheat, and other major crops for years." p. 6644
23. USER CHARGES; SOIL CONSERVATION. Received a N. Mex. Legislature resolution opposing the proposed user charge on SCS technical service to farmers and ranchers. p. 6679

24. ELECTRIFICATION. Rep. Andrews inserted an editorial urging the Rural Electrification Administration to make a loan for the construction of an electric generating plant in Oliver Co., N. Dak. p. 6647
25. HOUSING AND URBAN DEVELOPMENT. Rep. Widnall compared the provisions of the administration's housing and urban development bill, H. R. 5840, with those of the Republican bill, H. R. 9501. pp. 6645-7
26. PRINTING; INFORMATION. Rep. Berry contended that Government printing plants are competing with private industry and inserted a listing of Federal printing facilities, including one in the Forest Service. p. 6643
27. MINERALS. Received from the President a semi-annual report of the Office of Minerals Exploration, Department of the Interior. p. 6581

ITEMS IN APPENDIX

28. TOBACCO. Extension of remarks of Sen. Cooper inserting the text of a speech he made several years ago, "The Tobacco Program: Why It is Needed--How It is Working." pp. A1625-30
29. FARM LABOR. Extension of remarks of Rep. Talcott criticizing a newspaper editorial, "Goodby to Braceros," and inserting a copy of his reply to the editor mentioning some of the "misleading statements" of the editorial. pp. A1630-1
Extension of remarks of Rep. Gubser inserting and commending an article "concerning the effort of southern Santa Clara County farmers to improve working conditions in order to attract domestic migratory workers" as a replacement for braceros. A1648
30. EDUCATION. Speeches in the House by Reps. Sickles and Gurney during debate on the proposed Elementary and Secondary Education Act of 1965. pp. A1631-2, A1633-4.
31. CONSERVATION. Extension of remarks of Rep. Hansen, Ida., inserting an editorial stating that "Congress should carefully scrutinize the Budget Bureau's recommended reduction...in the appropriations for the...Soil Conservation Service." pp. A1634-5
32. MANPOWER. Speech in the House by Rep. Springer during debate on the proposed Manpower Act of 1965. pp. 1635-6
33. POVERTY. Rep. Griffiths inserted a newspaper article on the poverty program, stating that a new definition of poverty will be announced by OEO based on the cost of living and that "it is expected to raise the poverty line for nonfarm families to \$3,120 and lower it to \$1,850 for farm families." p. A1643
34. WATER. Extension of remarks of Rep. Bolton inserting and commending an article critical of the proposal to build dams above and below the Grand Canyon. p. 1644-5
35. EMPLOYMENT. Rep. Cohelan inserted his recent speech suggesting ways for promoting fair and equal employment opportunities. pp. A1614-5
36. CONSUMERS. Rep. Laird inserted a recent speech by Rep. May expressing concern over proposed legislation affecting consumers, "A Woman Legislator's View on Consumer Protection." pp. A1653-4

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FOR RELEASE AT 1:00 P.M., E.S.T.

APRIL 5, 1965

Office of the White House Press Secretary

THE WHITE HOUSE

THE WHITE HOUSE MADE PUBLIC TODAY
THE FOLLOWING LETTER FROM THE
PRESIDENT TO THE PRESIDENT OF THE
SENATE AND THE SPEAKER OF THE HOUSE
OF REPRESENTATIVES

April 5, 1965

) Dear Mr. President: (Dear Mr. Speaker:)

We have set forth five basic policy objectives for our programs in agriculture and the rural community:

- * An abundance of food and fiber at reasonable and stable prices for the people of the United States;
- * A workable balance between supply and demand at lower costs to the Government;
- * Opportunity for the efficient family farmer to earn parity of income from farming operations;
- * Parity of opportunity for all rural people, including new opportunity for small farmers; and,
-) * Effective use of our agricultural resources to promote the interest of the United States and world peace through trade and aid.

The legislative proposals for farm commodity programs which are transmitted herewith have been prepared within the framework of these policy guides. We seek no banner to wave for partisan advantage; we seek to find in this most difficult area the means by which American agriculture and the family farm can share in our rich and growing economy as fully as they contribute to it.

For more than three decades, and particularly since the end of World War II, the United States has experienced a staggering revolution in the techniques of farming. Science and technology, applied to agronomy and animal husbandry, have brought the American people a greater abundance of food and fiber than the citizens of any nation in history have ever known. Prior to the Second World War, farming productivity was increasing at only half the rate of industrial growth; but since 1945, it has increased at twice the speed of industrial growth.

(more)

As a result, food expenditures today take a smaller part of the family income than ever before. Less than one dollar of take-home pay out of every five is spent for food, and the proportion continues to decline.

However, the enormous advances in agricultural efficiency have left the farmer working harder and enjoying it less. Prices for his products are 5 percent lower today than 15 years ago. Only a small fraction of our farmers earn parity of income -- returns comparable to earnings for similar work and investment. Many farmers do not even earn the minimum wage.

This inadequate return to the farmer is a consequence of the revolution of abundance in agriculture. If productivity in industry had increased in the past decade at the same rate as in agriculture, the 1963 level of industrial output could have been produced with 8 million fewer workers than were actually employed.

Commodity programs are the primary instrument which the farmer and the national economy use to cushion the force of the "output revolution." So long as the advance in agricultural technology continues to outpace the growth of population at home and the markets abroad, farm commodity programs will continue to be an indispensable element of national economic policy.

Even with commodity programs, the farms which require substantially more labor than the farm family can provide have declined in number in the postwar period; only the family farm with adequate resources has grown in number and in the volume of output. All others have declined.

The sensible policy for commercial agriculture is not to do away with commodity programs, but to improve them so that agriculture will provide an opportunity to earn a parity income for that growing group of farm families on farms large enough to be efficient.

In a real sense, the legislative proposals transmitted herewith do more than modify and extend commodity programs. They seek also to apply the forces of a vigorous marketplace to the needs of commercial agriculture so that we can turn more of our attention and more of our tax dollars to revitalizing rural life and rooting out the poverty which is all too prevalent in rural America.

The proposals provide, particularly in the case of wheat and rice, that the farmer should look to the marketplace for the dollars which will bring him closer to parity of income.

There was a time when the cost of food at the farm translated nearly dollar for dollar into retail food costs. That is no longer the case. Today, when marketing charges account for nearly two-thirds of retail food prices, even a significant rise in farm prices has far less impact than do changes in nonfarm cost. A 50 cent increase in the price of a bushel of wheat for example will increase the cost of a loaf of bread by little more than one cent.

(more)

The modifications in commodity programs also take into account world markets. Price and income support programs should not prevent the American farmer from competing effectively in world markets. The market prices for commodities under the proposals would be near world levels, as are the prices for feed grains and soybeans now.

We propose to compete fairly and vigorously for the fast growing markets in the world. From 1958 to 1964, while the dollar value of farm products sold domestically rose by less than a billion, the dollar sales of food and fiber exports increased by nearly \$2.5 billion. The new commodity proposals will help to keep us competitive in world markets, sharing fully in future growth of food and fiber trade.

We also seek to find less costly means to achieve needed adjustments in production. Thus, the proposal for a Cropland Adjustment Program is designed to remove up to 40 million acres of cropland through long-term contracts. We now have over 55 million acres of cropland out of production annually, most of it under the year-to-year diversions features of individual commodity programs. In the first year, with only 8 million acres in the program, we estimate the savings from the Cropland Adjustment Program compared with annual programs will be about \$35 million.

The Cropland Adjustment Program, combined with the individual commodity programs, will provide the best and least costly means of bringing production into balance with domestic needs and export opportunities. Thus, the policies for commercial agriculture contained in this legislation are so constructed that all parts acting together provide an effective means of bridging the gap between the farmer and national prosperity while they provide all our people with continued access to food and fiber abundance.

Title I of the draft bill would extend for two years, with amendments, the voluntary wheat marketing certificate program enacted by the Congress last year for the 1964 and 1965 crops of wheat. This program has reduced government costs, and has given wheat farmers added flexibility especially valuable where crop alternatives are limited. In order to provide adequate support to the incomes of wheat producers while further reducing costs to the government and increasing our reliance on the market, the maximum level of price support which the Secretary could provide for wheat processed for use as food in the United States would be increased from 90 to 100 percent of parity. The Secretary could permit producers voluntarily to divert up to 50 percent instead of 20 percent of their allotted acreage from production, and the Secretary would be given additional discretion in establishing diversion payment rates. Other major provisions would be continued. The wheat program enacted in the Agricultural Act of 1962 would be inoperative until the 1968 crop.

Title II of the draft bill would extend for another two years the voluntary feed grain program first enacted on an emergency basis in 1961. This program has raised the income of feed grain producers, reduced surplus stocks by nearly 30 million tons, given farmers maximum flexibility of operation within a framework of price supports, and has provided needed stability for the livestock industry. The feed grain program would be amended to give the Secretary discretion to establish acreage diversion and price support payment rates at levels designed to meet the objectives of the program. In addition, the production of soybeans could be encouraged under new authority.

(more)

Title III of the draft bill would provide for two years for major amendments in the method of making price support available to producers of rice. The proposed marketing certificate program would follow the principle of the wheat marketing certificate program first enacted by the Congress in 1962 and reenacted in 1964, of providing substantial income support from domestic consumption, while supporting market prices near world levels. The Secretary would be authorized to provide price support through the mechanism of both loans and marketing certificates on the quantity of rice produced for the domestic market, in a range of 65 to 100 percent of parity. Price support for rice produced for export would be provided to producers only through loans. The level of price support loans would be related primarily to world market prices. Marketing certificates would be issued to farmers on a graduated scale in order to provide small producers somewhat higher average unit returns than larger producers. Provisions for acreage allotments and marketing quotas for rice which have operated for many years would remain in effect. The proposed revision in the method of supporting rice prices would make it possible to continue to support the incomes of rice growers while reducing government expenditures and placing more reliance on the domestic market to return adequate incomes to growers. The Secretary would be authorized to take such actions as he determined to be necessary to assist the industry in making the transition from the current program to the proposed program. Existing provisions of law with regard to price supports for rice would be suspended until 1968.

Title IV of the draft bill would provide for a two-year extension and for further amendment of the Wool Act of 1954, as amended. This Act has operated successfully to help stabilize wool production and bolster incomes of wool producers. Funds are provided out of customs receipts on imported wool and wool products. Amendments are proposed which would authorize the Secretary to take into account the production and the prices of lambs in determining the level price support for wool, and would remove the present requirement that the Secretary set wool price supports at levels which would encourage the production of up to 360 million pounds of wool in the United States. In addition, provision is made for graduating incentive payments according to the quantity of wool produced in order to provide higher returns to small producers.

Title V of the draft bill would provide a long-term cropland adjustment program to supplement the annual acreage diversion programs in achieving and maintaining a supply-demand balance for farm products. It is expected that substantial savings would be realized under this program compared with annual diversion under the feed grain and wheat programs. The program is designed not only to supplement the commodity programs, but also to enable elderly farmers to retire from farming while continuing to live on their farms, to assist farmers who want to reduce their farming operations in order to shift to other employment, to conserve natural resources and add to the beauty of the countryside, and to improve the quality of rural and urban life. This program would amend the Soil Bank Act to authorize the Secretary to enter into 5 to 10 year contracts during the period 1965-70 for the diversion of cropland to conservation uses. The Secretary could provide for such payments as would be necessary to encourage producers to enter into such contracts. Provision would be made also for the Secretary to cooperate with other Federal, state and local agencies in permanently shifting cropland into public uses such as parks or recreational areas. Grazing or other agricultural uses of land contracted under this program would be prohibited except in case of emergencies. Local communities would be protected by a limitation on the percentage of the cropland acreage in any area that could be contracted. We are convinced that a long-term cropland adjustment program can provide not only substantial savings to the Government, and new opportunities for rural people, but also for long-range remedial action which will benefit the farm economy.

(more)

Title VI of the draft bill would give the Secretary of Agriculture authority to provide for the lease and sale of acreage allotments under the production adjustment programs of the Department of Agriculture. Such transfers would be limited to family-sized farms in the state of origin of the allotment. Small farmers who decide to stop farming or who have stopped farming can realize the value of their allotments while retaining their farms under this title. Operators of family-sized farms who wish to continue and to expand their farming operations could have the opportunity to increase their acreage of allotment crops.

We are continuing to study and to discuss with producers and the industry the means by which the cotton program can be improved so as to reduce the cost of the program and the level of cotton stocks while keeping cotton competitive with other fibers and in world markets.

Enclosed is a more detailed summary of the provisions of the proposed bill.

I urge that the Congress give these proposals prompt consideration.

Sincerely,

LYNDON B. JOHNSON

Honorable Hubert H. Humphrey
President of the Senate
Washington, D. C.

Honorable John W. McCormack
Speaker of the
House of Representatives
Washington, D. C.

Enclosure

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PROPOSED LEGISLATION FOR FARM COMMODITY PROGRAMS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A DRAFT OF PROPOSED LEGISLATION ENTITLED "A BILL TO MAINTAIN FARM INCOME, TO STABILIZE PRICES AND ASSURE ADEQUATE SUPPLIES OF AGRICULTURAL COMMODITIES, TO REDUCE SURPLUSES, LOWER GOVERNMENT COSTS, AND PROMOTE FOREIGN TRADE, TO AFFORD GREATER ECONOMIC OPPORTUNITY IN RURAL AREAS, AND FOR OTHER PURPOSES"

APRIL 5, 1965.—Referred to the Committee on Agriculture and ordered to be printed

THE WHITE HOUSE,
Washington, April 5, 1965.

HON. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: We have set forth five basic policy objectives for our programs in agriculture and the rural community:

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I urge that the Congress give these proposals prompt consideration.

Sincerely,

LYNDON B. JOHNSON.

SUMMARY OF PRINCIPAL PROVISIONS OF PROPOSED BILL

TITLE I—WHEAT

Title I would extend the voluntary wheat marketing certificate program for 2 years—1966 and 1967—with certain changes in the program features.

(1) Wheat marketing quotas would be suspended during the operation of the voluntary program.

(2) Acreage allotments would be continued for purposes of determining eligibility for price support, marketing certificates and diversion payments, but certain changes would be made to simplify the method for determining allotments. Under the new method, State, county, and farm allotments will simply be computed on the basis of the preceding year's allotment.

(3) The marketing certificate program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The number of certificates received by each farm would be based on the projected farm yield rather than the normal yield.

(b) The bill would authorize the Secretary to provide for distributing the certificates among the producers on the farm on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the wheat crop.

(c) The Secretary would be authorized to adjust the amount of certificates issued with respect to any farm for failure of a producer to comply fully.

(d) "Food products" for which marketing certificates are required to be purchased by processors are redefined to mean those products composed wholly or partly of wheat to be used for human consumption, including beverage, as determined by the Secretary.

(e) The Secretary would be authorized to exempt processors from the requirement to purchase certificates for wheat produced by a State and processed for use by the State, wheat processed for donation and wheat processed for other noncommercial uses.

(4) The diversion program for wheat would be extended for 2 years—1966 and 1967—with the following changes:

(a) The limitation of 50 percent of the price-support rate on diversion payments would be removed.

(b) The limitation on the number of acres of additional voluntary diversion would be raised from 20 percent of the farm allotment to 50 percent of the allotment.

(c) The Secretary may permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seed, soybeans, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

(5) Price support—

(i) for wheat with domestic certificates would be between 65 and 100 percent of parity; price support for wheat with export certificates would be at such level, not more than parity, as the Secretary determines;

(ii) for noncertificate wheat would be on the basis of competitive world prices of wheat and the feeding value of wheat in relation to feed grains.

(6) Minimum price for sales of wheat from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges, as under the program in effect for 1964 and 1965.

(7) The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

(8) After 1967, the existing provisions of law for marketing quotas, marketing certificates, and price support would again become effective.

Title I of the bill would also amend section 377 of the Agricultural Adjustment Act of 1938, as amended, to preserve the acreage allotment for the farm for any commodity in any case in which the acreage planted to the commodity is less than the allotment.

Title I would also change the marketing quota provisions on rice and wheat to provide that in computing marketing penalties, the excess production on which the penalty will be assessed will be determined on the basis of the projected farm yield instead of the normal yield. "Projected farm yield" is defined as the yield per harvested acre of such crop on the farm during each of the 3 calendar years immediately preceding the year in which such crop is produced, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

TITLE II—FEED GRAINS

Title II would extend the feed grain program for 2 years—1966 and 1967—with certain changes in the program features.

(1) Price support—

(a) if a feed grain diversion program is in effect, producers would be required, as a condition of eligibility for price support, to participate in the diversion program to the extent prescribed by the Secretary:

(i) Existing law, which would remain in effect, provides that if an acreage diversion program is in effect for feed grains, price support for corn shall be at 65 to 90 percent of parity and at comparable levels for grain sorghums, barley, oats, and rye.

(ii) A payment in kind, in addition to price support provided through loans and purchases, would be authorized to be made available to producers participating in the acreage diversion program. In determining the amount or amounts of the payment in kind, the Secretary would be authorized to take into account the extent of participation by the producer. The payment in kind would be made on such part of the feed grain acreage as the Secretary determines desirable to effectuate the purposes of the program. The Secretary could permit producers to have acreage devoted to soybeans considered as devoted to feed grains for purposes of payments in kind. The bill would authorize the Secretary

tary to provide for distributing the payment in kind certificates on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the feed grain crop. The Secretary would be authorized to adjust the payments in kind for failure to comply fully with the program.

(b) If an acreage diversion program is not in effect, existing law, which would remain in effect, provides that price support for corn shall be not less than 50 or more than 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats, and rye.

(2) The feed grain acreage diversion program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The limitation on payments of 50 percent of the price-support rate would be removed.

(b) The Secretary may permit the diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

(c) The program would be limited to corn, grain sorghums, and, if designated by the Secretary, barley.

(d) The payment limitation of 20 percent of the fair market value with respect to acreage involved in the program would be removed.

(e) The malting barley exemption would be removed.

(3) The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

TITLE III—RICE

Title III of the bill would authorize a marketing certificate program for rice for 2 years—1966 and 1967—similar to the marketing certificate program for wheat. Marketing quotas would remain in effect.

(1) The Secretary would proclaim a national acreage allotment equal to the number of acres which the Secretary determines will, on the basis of the projected national yield and expected underplantings of farm acreage allotments, produce an amount of rice which, together with the estimated carryover, would be adequate to make available a supply equal to estimated domestic consumption, exports, and an adequate carryover. The minimum national acreage allotment would be one which would produce not less than 60 million hundredweights of rice instead of the 1,652,596 acres specified under existing law.

(2) Producers would receive a rice marketing allocation on which marketing certificates would be issued equal to the number of hundredweights obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the rice crop which will be used in the United States during the marketing year except for seed. Provision is made for issuing additional certificates to be financed by Commodity Credit Corporation on the first 1,500 hundredweight of each farmer's production. Thus, small producers would receive relatively the highest returns from marketing certificates.

(3) The marketing certificates would have a value per hundredweight equal to the difference between the price support on certificate rice and noncertificate rice.

(4) Marketing certificates would be required to cover all rice processed in the United States and all processed rice imported into the United States, but the value of the certificates would be refunded on all processed rice exported from the United States. The Secretary would be authorized to exempt processors from the requirement to purchase certificates for (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof and processed for use by the State or agency thereof, and (iv) rice processed by uses determined by the Secretary to be noncommercial.

(5) Commodity Credit Corporation would be authorized to buy and sell marketing certificates.

(6) The Secretary would be authorized to take such action as he determines would be necessary to facilitate the transition from the program currently in effect to the marketing certificate program.

(7) Price support—

(i) for rice with marketing certificates would be between 65 and 100 percent of parity;

(ii) for noncertificate rice would be at such level, not in excess of parity, as the Secretary determines will provide orderly marketing of rice and retain

8 PROPOSED LEGISLATION FOR FARM COMMODITY PROGRAMS

an adequate share of the world market, taking into consideration the price of rice in world markets and other factors.

(8) The minimum price for sales of rice from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges.

(9) After 1967, the existing provisions of law for acreage allotments, marketing quotas and price support will again become effective.

Title III would also provide authority to reduce the rice acreage allotment for any farm if the farmowner or landlord evicts or otherwise mistreats a rice tenant or sharecropper on the farm.

TITLE IV—WOOL

Title IV would amend the National Wool Act to extend the period during which price support may be made thereunder beyond its present termination date of March 31, 1966, to December 31, 1967. The bill would further amend that act by deleting the presently stated policy of encouraging domestic production of 300 million pounds of shorn wool, and the requirement that the support level be such as will result in a production of 360 million pounds if such support level would not exceed 90 percent of parity, and providing in lieu thereof a new policy of supporting wool at such level as will encourage domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production. Provision is made for three graduated levels of price support based upon each producer's marketings during the marketing year. Thus, small producers would receive relatively the highest returns from price support.

TITLE V—CROPLAND ADJUSTMENT

Title V would extend the Soil Bank Act to authorize a long-term cropland adjustment program under which the Secretary would be authorized to enter into long-term agreements with producers to assist them in diverting their cropland to vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, or practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, wildlife and recreational resources, and for the prevention of air and water pollution.

The Secretary would be authorized to enter into contracts with producers during the period 1965 through 1970 to be carried out during the period ending not later than December 31, 1979. The period covered by any contract would be not less than 5 years nor more than 10 years.

Grazing would be prohibited except in the case of severe drought, flood, or other natural disaster.

In return for the producer's diverting his cropland to approved uses, the Secretary would share the cost of establishing such uses and make an annual payment to the producer for the period covered by the contract. Authority would be given to the Secretary to make the annual payments for all years of the contract upon approval of the contract or in installments.

The total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such county as the Secretary determines would not adversely affect the economy of the county.

For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, the Secretary would be authorized to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.

The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife, and recreational resources, and prevent air and water pollution.

Title V would also provide authority under which the Secretary would be authorized to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to acreage which is devoted to vegetative cover and other approved uses.

TITLE VI—TRANSFER OF ALLOTMENTS

Title VI would authorize the Secretary to permit the transfer by sale, lease, or other means of acreage allotments, base acreages, and sugar proportionate shares which have been established under Federal law, including the transfer from one

farm owned by a person to another farm owned by him. The Secretary could not authorize the transfer of allotments, base acreages, and proportionate shares unless he determined that the effective operation of the program involved would not be impaired.

No transfer would be permitted outside the State, from a farm subject to a mortgage or other lien unless agreed to by the lienholder, or until a copy of the transfer had been filed with the county committee of the county to which transferred and it was determined by the committee that it complied with the provisions of the statute.

The transfer of an allotment, base acreage, or proportionate share also would include the acreage history and marketing quota attributable thereto.

The Secretary would be required to prescribe regulations governing transfers including provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield, and for putting reasonable limits on the size of the resulting allotments.

If the farm from which the transfer was made was covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment in the contract or agreement would be appropriately adjusted, but no similar adjustment would be made for the farm to which the transfer is made.

Provisions of existing law authorizing leases of tobacco allotments and transfer of producer rice allotments would be repealed.

A BILL To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1965".

TITLE I—WHEAT

SEC. 101. Effective beginning with the crop planted for harvest in the calendar year 1966, the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 332 is amended by changing item (iv) in subsection (b) to read: "will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962" and by adding the following new subsection:

"(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 and 1967, and farm marketing quotas shall not be in effect for such crops of wheat."

(2) Section 333 is amended to read as follows: "The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop or, if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed. The Secretary may, in his discretion, adjust such national acreage allotment as he determines necessary to assure the maintenance of adequate but not excessive stocks in the United States."

(3) Subsection (a) of section 334 is amended to read as follows:

"(a) The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including for 1966 the increased acreage in the State allotted for 1965 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop-rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used

to make allotments to counties in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (i.e., farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year."

(4) Subsection (b) of section 334 is amended to read as follows:

"(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1966 the increased acreage in the county allotted for 1965 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop-rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors."

(5) Subsection (c) of section 334 is amended by adding new paragraphs (3) and (4) to read as follows:

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1966 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment.

"(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1966 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment: *Provided*, That (i) for purposes of computing the 1966 allotment for any farm not in compliance with its 1964 farm acreage allotment, the 1965 acreage allotment shall be reduced by 7 per centum; (ii) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; and (iii), for purposes of clause (ii), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion

shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum."

(6) Subsection (d) of section 334 is repealed.

(7) Subsection (g) of section 334 is amended by striking out the language "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section" in the first sentence.

(8) Section 335 is amended by adding at the end thereof the following: "This section shall not be applicable to the crops planted for harvest in 1966 and subsequent years."

(9) Section 339(b) is amended (1) by striking out "1964 and 1965 crops of wheat" and substituting "crops of wheat planted for harvest in the calendar years 1964 through 1967", (2) by striking out of the first sentence "payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate for wheat not accompanied by marketing certificates on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section" and substituting "payments may be made with respect to acreage diverted at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, taking into consideration the loss of production on such acreage based on the projected farm yield, any savings in cost which result from such diversion, the incentive necessary to obtain participation in the program, and the income objectives of the Act", and (3) by striking out of the third sentence "20 per centum of the farm acreage allotment" and "fifteen acres" and substituting "50 per centum of the farm acreage allotment" and "twenty-five acres", respectively.

(10) Section 339(e) is amended to read as follows: "The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, soybeans, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses."

(11) Section 377 is amended by deleting from the first sentence the language in parenthesis and by changing the colon before the first proviso of such sentence to a period and striking out the remainder of such sentence.

(12) Section 379c is amended by adding the following new subsection:

"(e) Notwithstanding any other provision of law, the amount of certificates issued with respect to any farm may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the program formulated under this subtitle."

SEC. 102. Effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 and 1967, and the marketing years for such crops, section 379b is amended to read as follows:

"SEC. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 and 1967. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be (i) the amount of wheat he estimates will be used during such year for food products for consumption in the United States and (ii) that portion of the amount of wheat which he estimates will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the amount of the national marketing quota for wheat that would be determined for such marketing year if a national marketing quota for such year had been proclaimed less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

SEC. 103. Effective beginning with the 1968 crop, section 379b is amended by striking out "normal yield of wheat for the farm as determined by the Secretary" and substituting "projected farm yield".

SEC. 104. (a) Effective upon the enactment of this Act, section 379d(b) is amended by striking out the third sentence and substituting the following: "The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other noncommercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port."

(b) Section 379d(d) is amended to read as follows:

"(d) As used in this subtitle, the term 'food products' means any product composed wholly or partly of wheat to be used for human consumption, including beverage, as determined by the Secretary."

This subsection shall be effective as to food products sold, or removed for sale or consumption on or after 60 days following enactment of this Act, unless the Secretary shall by regulation designate an earlier effective date within such 60-day period.

SEC. 105. The Agricultural Act of 1964 is amended as follows:

(1) Amendment (7) of section 202 is amended by striking out "1964 and 1965" and substituting "the calendar years 1964 through 1967".

(2) Amendment (13) of section 202 is amended by striking out "only with respect to the crop planted for harvest in the calendar year 1965" and substituting "with respect to the crops planted for harvest in the calendar years 1965 through 1967".

(3) Section 204 is amended by striking out "1964 and 1965" and substituting "1964 through 1967".

SEC. 106. Effective beginning with the 1966 crop, section 107 of the Agricultural Act of 1949, as amended, is amended to read as follows:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1966 crop—

"(1) Whenever a wheat marketing allocation program is in effect, (a) price support for wheat accompanied by domestic certificates shall be at such level, not less than 65 per centum or more than 100 per centum of the parity price therefor, as the Secretary determines, (b) price support for wheat accompanied by export certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines, and (c) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(2) Whenever a wheat marketing allocation program is not in effect, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

"(3) A 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions

of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored."

SEC. 107. Effective beginning with the crop planted for harvest in the calendar year 1966, section 339(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words "national acreage allotment", wherever they appear, the following: "(less an acreage equal to the increased acreage allotted for 1965 pursuant to section 335)".

SEC. 108. Effective beginning with the crop planted for harvest in the calendar year 1966, section 379c(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the third sentence to read as follows: "The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on a fair and equitable basis.", and by adding at the end thereof the following: "An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection."

SEC. 109. Section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Paragraph (8) is amended by inserting "(A)" after "(8)" and adding the following new subparagraph:

"(B) 'Projected national yield' as applied to any crop of rice or wheat shall be determined on the basis of the national yield per harvested acre of the commodity during each of the five calendar years immediately preceding the year in which such projected national yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

(2) Paragraph (13) is amended by adding the following new subparagraphs:

"(J) 'Projected county yield' for any crop of rice or wheat shall be determined on the basis of the yield per harvested acre of such crop in the county during each of the five calendar years immediately preceding the year in which such projected county yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

"(K) 'Projected farm yield' for any crop of rice or wheat shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

SEC. 110. (a) Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1966 crop, by striking out of the fifth sentence the words "normal yield of wheat per acre established for the farm" and substituting therefor the words "projected farm yield".

(b) Section 379i of the Agricultural Adjustment Act of 1938, as amended, is amended, effective as of the effective date of the original enactment of the section, by inserting in subsections (a) and (b) after the word "who", wherever it appears, the word "knowingly".

SEC. 111. (a) Effective beginning with the crop planted for harvest in 1966, paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(9) 'Normal production' as applied to any number of acres of rice or wheat means the projected farm yield times such number of acres and, as applied to any number of acres of cotton, means the normal yield for the farm times such number of acres."

(b) Public Law 74, 77th Congress, as amended, is amended by changing the words "normal yield of wheat per acre established for the farm" in paragraph (1) to the words "projected farm yield".

TITLE II—FEED GRAINS

SEC. 201. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

"(e) For the 1966 and 1967 crops of feed grains, the Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base. In addition to price support

provided under subsections (a) and (b) of this section, which shall be made available through loans and purchases, for any feed grain included in the acreage diversion program, a payment-in-kind may be made available to producers in such amount or amounts as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains, and to take into account the extent of participation by the producer. Such payments-in-kind shall be made on such part of the acreage of such feed grain planted on the farm for harvest as the Secretary determines desirable to effectuate the purposes of the program: *Provided*, That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price support program. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on a fair and equitable basis. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. Notwithstanding any other provision of law, payments-in-kind under this subsection (e) and subsection (d) of this section may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the programs formulated under such subsections and section 16 of the Soil Conservation and Domestic Allotment Act, as amended."

SEC. 202. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(i) Notwithstanding any other provision of law—

"(1) For the 1966 and 1967 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, taking into consideration the loss of production on such acreage, any savings in cost which result from such diversion, the incentive necessary to achieve the acreage reduction goal, and the payments-in-kind made available under section 105(c) of the Agricultural Act of 1949, as amended. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term 'feed

gains' means corn, grain sorghums, and, if designated by the Secretary, barley. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or 25 acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960 and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (i) (1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

"(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(i).

"(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(5) Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price made available through loans and purchases, plus reasonable carrying charges.

"(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

SEC. 203. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the language beginning with "the requirements" and ending with "Agricultural Act of 1961, and" and substituting therefor "the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or".

TITLE III—RICE

SEC. 301. The Agricultural Adjustment Act of 1938, as amended, is amended by striking out sections 380a through 380p and substituting the following:

"SEC. 380a. The movement of rice from producer to consumer is preponderantly in interstate and foreign commerce, and the small quantity of rice which does not move in interstate or foreign commerce affects such commerce. Unreasonably low prices of rice to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of rice are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for rice. It is necessary in order to assist rice producers in obtaining fair prices, to regulate the price of rice in the manner provided in this subtitle.

"RICE MARKETING ALLOCATION

"SEC. 380b. If marketing quotas are in effect for rice for the 1966 or 1967 crop, a rice marketing allocation program for the marketing year for such crop shall be in effect as provided in this subtitle. Whenever a rice marketing allocation program is in effect for any marketing year, the Secretary shall determine (1) the rice marketing allocation for such year which shall be the amount of rice which in determining the national acreage allotment for such year he estimated would be used for domestic consumption except for seed, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the amount of rice determined by multiplying the national acreage allotment by the projected national yield. Each farm shall receive a rice marketing allocation for such marketing year equal to the number of hundredweights obtained by multiplying the number of acres in the farm acreage allotment for rice by the projected farm yield of rice, and multiplying the resulting number of hundredweights by the allocation percentages established by the Secretary within the ranges prescribed in the schedule below: *Provided*, That in any State or administrative area in which farm rice acreage allotments are determined on the basis of past production of rice by the producers on the farm, each producer shall receive a rice marketing allocation determined by multiplying the producer's rice acreage allotment for such State or area by his projected yield of rice, as determined by the Secretary, and by multiplying the result of such allocation percentages.

Estimated production on allotted acres (allotment multiplied by projected yield)

Allocation percentage

First 500 hundredweights and less.

Not less than national allocation percentage or more than 55 per centum.

501 hundredweights to 1,500 hundredweights, inclusive.

Not less than national allocation percentage or more than 45 per centum.

More than 1,500 hundredweights.

National allocation percentage.

The additional rice marketing certificates issued to producers as a result of using allocation percentages in excess of the national allocation percentage shall be financed by the Commodity Credit Corporation. The acreage allotment referred to in this section shall be the acreage allotment established under section 353(b) before any of such allotment is voluntarily surrendered or such allotment is increased by any reapportioned allotment as provided in section 353(e) of this Act.

"MARKETING CERTIFICATES

"SEC. 380c. (a) The Secretary shall provide for the issuance of rice marketing certificates for each marketing year for which a rice marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of rice, an amount equal to the value of such certificates. The rice marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm rice marketing allocation for such year, but not to exceed the actual acreage of rice planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the projected yield of rice for the farm as determined by the Secretary. The rice marketing certificates issued to any producer for any marketing year in any State or administrative area where producer allotments are established shall be in the amount of the producer's rice marketing allocation for such year, but not to exceed the actual acreage of rice planted by the producer in such State or area for harvest in the calendar year

in which the marketing year begins multiplied by the producer's projected yield as determined by the Secretary. The Secretary shall provide for the sharing of rice marketing certificates among producers on the farm on a fair and equitable basis.

"(b) No producer shall be eligible to receive rice marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm.

"(c) Whenever a rice marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per hundredweight of marketing certificates which shall be equal to the amount by which the level of price support for rice accompanied by certificates (certificate rice) exceeds the level of price support for rice not accompanied by certificates (non-certificate rice).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.

"(e) Notwithstanding any other provision of this Act, the amount of certificates issued with respect to any farm may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the program formulated under this subtitle.

"MARKETING RESTRICTIONS

"SEC. 380d. (a) Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates legally held by any person shall be purchased by Commodity Credit Corporation if tendered to the Corporation for purchase in accordance with regulations prescribed by the Secretary.

"(b) During any marketing year for which a rice marketing allocation program is in effect, all persons engaged in the processing of rice in the United States shall, prior to marketing any processed rice or removing processed rice for sale or consumption, acquire marketing certificates equivalent to the number of hundredweights of rice from which such processed rice was obtained, as determined by the Secretary of Agriculture. The requirements of this subsection shall not be applicable to rice which is both produced and processed in Puerto Rico or in any State for which no acreage allotment is established under section 353 of this Act. The Secretary may exempt from the requirements of this subsection (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof and processed for use by the State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial. Marketing certificates shall be valid to cover only sales or removals for sale or consumption made during the marketing year with respect to which they are issued, and after being once used to cover a sale or removal for sale or consumption shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales or removals made on or after the date during the calendar year in which rice harvested in such calendar year begins to be marketed as determined by the Secretary even though such rice is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales or removals made on or after the date so determined by the Secretary.

"(c) Upon the exportation from the United States of any processed rice with respect to which certificates were acquired, the Commodity Credit Corporation shall pay to the exporter an amount equal to the value of the certificates for the rough rice equivalent of such processed rice. Such payments may be in cash or in kind, as determined by the Secretary.

"(d) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market processed rice or remove such rice for sale or consumption may be permitted to market or remove such rice without having first acquired marketing certificates.

"IMPORT RESTRICTIONS

"SEC. 380e. Each person who, on or after the beginning of the marketing year for each marketing year for which a rice marketing allocation program is in effect, imports processed rice into the United States shall acquire marketing certificates covering the rough rice equivalent of such processed rice.

18 PROPOSED LEGISLATION FOR FARM COMMODITY PROGRAMS

"ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

"SEC. 380f. For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"AUTHORITY TO FACILITATE TRANSITION

"SEC. 380g. The Secretary is authorized to take such action as he determines be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the rice in rough or processed form in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 380d, or to sell certificates to processors covering such rice at such prices as the Secretary may determine. Any such certificates shall be issued by the Commodity Credit Corporation.

"REPORTS AND RECORDS

"SEC. 380h. This section shall apply to processors, exporters, importers, and warehousemen of rice in rough or processed form and all persons purchasing, selling, or otherwise dealing in rice marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"REGULATIONS

"SEC. 380i. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle, including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates.

"DEFINITIONS

"SEC. 380j. For the purposes of this subtitle—

"(a) 'processing of rice' means subjecting rough rice for the first time to any process which removes the husk or hull from the rice and results in the production of processed rice;

"(b) 'processed rice' means 'brown rice' as defined in the United States Standards for Brown Rice, 'milled rice' as defined in the United States Standards for Milled Rice, including special grades of brown and milled rice, and such other rice as may be designated by the Secretary of Agriculture;

"(c) 'United States' means the several States, the District of Columbia, and the Commonwealth of Puerto Rico;

"(d) 'rough rice equivalent' means the quantity of rough rice normally used, as determined by the Secretary of Agriculture, in the production of a particular quantity and type of processed rice, with appropriate adjustments for broken kernels, as determined by the Secretary; and

"(e) 'import' means to enter, or withdraw from warehouse, for consumption."

SEC. 302. Section 379i of the Agricultural Adjustment Act of 1938, as amended, is amended (i) by inserting in subsection (a) after the words "subsection (b) of section 379(d)" the words " , subsection (b) of section 380d, or section 380e", (ii) by inserting in subsection (b) after the words "this subtitle" the words "or subtitle E", after the words "by section 379h" the words "and section 380h", and im-

mediately preceding the words "marketing certificates" the words "wheat or rice" and (iii) by changing in subsection (d) the words "any marketing certificate" to read "any wheat or rice marketing certificate".

SEC. 303. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 107 the following new section:

"SEC. 108. Notwithstanding the provisions of section 101 of this Act, the level of price support for the crops of rice planted for harvest in the calendar years 1966 and 1967 shall be as follows:

"(1) If a rice marketing allocation program is in effect, price support for rice accompanied by marketing certificates shall be at such level, not less than 65 per centum or more than 100 per centum of the parity price therefor as the Secretary determines; and price support for rice not accompanied by marketing certificates shall be at such level, not more than the parity price therefor, as the Secretary determines will provide orderly marketing of rice during the harvest season and will retain an adequate share of the world market for United States rice producers, taking into consideration the factors specified in section 401(b) of this Act and the price of rice in world markets.

"(2) Price support shall be made available only to cooperators.

"(3) The level of price support for any crop of rice for which the Secretary determines that the total supply of rice for the marketing year will not exceed the normal supply or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

"(4) A 'cooperator' with respect to any crop of rice produced on a farm shall be a producer who does not knowingly exceed (i) the farm acreage allotment for rice on the farm or (ii) except as the Secretary may by regulation prescribe, the farm acreage allotment for rice on any other farm on which the producer shares in the production of rice. If marketing quotas are not in effect for the crop of rice, a 'cooperator' with respect to any crop of rice produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for rice."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "*Provided further*, That if a rice marketing allocation program is in effect, the current support price for rice shall be the support price for rice not accompanied by marketing certificates."

SEC. 304. Section 352 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows effective beginning with the 1966 crop:

"SEC. 352. The national acreage allotment of rice for any calendar year shall be that acreage which the Secretary determines will, on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments, produce an amount of rice not less than 60,000,000 hundredweights adequate, together with the estimated carryover from the marketing year ending in such calendar year, to make available a supply for the marketing year commencing in such calendar year equal to the estimated domestic consumption of rice for the marketing year for which the allotment is being determined, the estimated exports for such year, and an adequate carryover. Such national acreage allotment shall be proclaimed not later than December 31 of each year."

SEC. 305. Section 353(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out paragraph 6.

SEC. 306. Section 353 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection (g) as follows:

"(g) If, beginning with the 1965 crop of rice, the owner or landlord of any farm in a State or administrative area in which rice acreage allotments are determined primarily on the basis of the past production of rice on the farm has evicted or evicts any tenant or sharecropper on his farm without just cause, or has required or requires that a tenant or sharecropper pay, in addition to the rental customarily paid in the community for similar land for rice production, a sum of money or any thing or service of value, or has forced or forces a tenant or sharecropper by coercion, subterfuge, or in any manner whatsoever to vacate the farm of the owner or landlord or abandon the crop of rice produced by the tenant or sharecropper on such farm without just cause, as determined in accordance with regulations issued by the Secretary, the acreage allotment next established for the farm and for each succeeding year shall be reduced as provided in such regulations: *Provided*, That if the farm acreage allotment for a crop year has been established at the time the determination under this subsection is made but rice for such year has not been planted, the rice farm acreage allotment for such year and for each succeeding year shall be reduced as provided herein."

TITLE IV—WOOL

SEC. 401. The National Wool Act of 1954, as amended, is amended, as follows:

(1) By deleting the second sentence of section 702 and inserting in lieu thereof: "It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to support the price of wool in such manner and at such level as will encourage the domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production."

(2) By deleting from section 703 "March 31, 1966" and inserting in lieu thereof "December 31, 1967".

(3) Effective with respect to wool and mohair marketed after the close of the 1965 marketing year, by deleting from section 703 all of the provisions following the second sentence and substituting therefor the following:

"The price for wool marketed by the producer thereof in the 1966 and 1967 marketing years shall be supported at such levels within the three ranges prescribed in the following schedule as the Secretary determines necessary to encourage production consistent with the declared policy of this title:

*"Quantity of wool (both shorn and pulled), grease basis, Levels of Support based on parity price on date of
marketed by a producer announcement thereof"*

First 2,000 pounds.....	Shall be supported at not less than 75 or more than 90 per centum of the parity price.
Next 5,000 pounds.....	Shall be supported at not less than 70 or more than 85 per centum of the parity price.
Excess over 7,000 pounds.....	Shall be supported at not less than 65 or more than 80 per centum of the parity price.

"The quantity of pulled wool marketed in the form of unshorn lambs shall be determined at the rate of four pounds of wool per hundredweight of live animals sold. The price for mohair marketed by the producer thereof in the 1966 and 1967 marketing years shall be supported at such levels as the Secretary determines are necessary to maintain approximately the same levels of support for mohair as for wool. Mohair support prices shall not deviate more than 15 per centum above or below the percentage of the parity price at which wool is supported within comparable weight ranges as determined by the Secretary. The Secretary shall, to the extent practicable, establish and announce the levels of price support for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year."

TITLE V—CROPLAND ADJUSTMENT

SEC. 501. Section 107 of the Soil Bank Act, as amended, is amended as follows:

(1) By changing the word "three" in the first sentence of subsection (a) to the word "five".

(2) By deleting the word "or" immediately preceding the word "other" in paragraph (1) of subsection (a) and inserting immediately after the word "uses" a comma and the words "or practices or uses which will establish, protect and conserve open spaces, natural beauty, wildlife and recreational resources, and prevent air and water pollution".

(3) By amending paragraph (4) of subsection (a) to read as follows:

"(4) Not to graze any acreage established in protective vegetative cover prior to the expiration of the contract except pursuant to the provisions of section 103(a)(3) hereof."

(4) By changing the word "all" to "such" in each of the two places it appears in paragraph (6)(A) of subsection (a), changing the period at the end of such paragraph to a comma, and adding the following: "as the Secretary may determine to be appropriate."

(5) By amending paragraph (1) of subsection (b) to read as follows:

"(1) To bear such part of the average cost (including labor) for the county or area in which the farm is situated of establishing and maintaining vegetative cover or other uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area; and".

(6) By adding a new sentence at the end of paragraph (2) of subsection (b) to read as follows: "The Secretary may make the annual payments for all years of the contract period upon approval of the contract or in such installments as he determines to be desirable."

(7) By striking the first sentence of subsection (d) and substituting therefor the following: "A contract shall not be terminated under paragraph (6) of subsection (a) unless the violation is one which the Secretary has prescribed by regulation to be of such nature as to defeat or substantially impair the purposes of the contract."

(8) By adding a new subsection (e) at the end thereof to read as follows:

"(e) The total acreage placed under contract in any county shall be limited to a percentage of the total eligible acreage in such county which the Secretary determines would not adversely affect the economy of the county."

SEC. 502. Section 109 of the Soil Bank Act, as amended, is amended as follows:

(1) By adding at the end of subsection (a) the following: "The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the period 1965-1970 to be carried out during the period ending not later than December 31, 1979."

(2) By inserting immediately after the word "cover" in subsection (b) the following: "entered into during the five-year period 1956-1960".

(3) By deleting the words "\$450,000,000 in any calendar year" in subsection (c) and substituting therefor the following: "in excess of amounts specified from time to time in appropriation Acts."

SEC. 503. Sections 111 and 114 of the Soil Bank Act, as amended, are amended as follows:

(1) Section 111 is amended by deleting the words "water storage facilities, or other soil-, water-, wildlife-, or forest-conserving" in subsections (a) and (b) and substituting therefor the word "other".

(2) Section 114 is amended by deleting the first two words thereof and substituting therefor the words "Except as the Secretary may by regulation prescribe, no person".

SEC. 504. Section 118 of the Soil Bank Act, as amended, is amended by inserting "(a)" after "Sec. 118." and adding new subsections (b) and (c) as follows:

"(b) For the purpose of obtaining an increase in the permanent retirement of cropland to non-crop uses the Secretary may, notwithstanding any other provision of law, transfer funds appropriated for carrying out this title to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.

"(c) The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect and conserve open spaces, natural beauty, wildlife and recreational resources, and prevent air and water pollution."

SEC. 505. Section 123 of the Soil Bank Act, as amended, is repealed, except that such repeal shall not abate any penalty previously incurred by a producer.

SEC. 506. (a) Notwithstanding any other provision of law, the Secretary of Agriculture may, to the extent he deems it desirable, provide by appropriate regulations for preservation of cropland, crop acreage and allotment history applicable to acreage diverted from the production of crops in order to establish or maintain vegetative cover or other approved practices for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program.

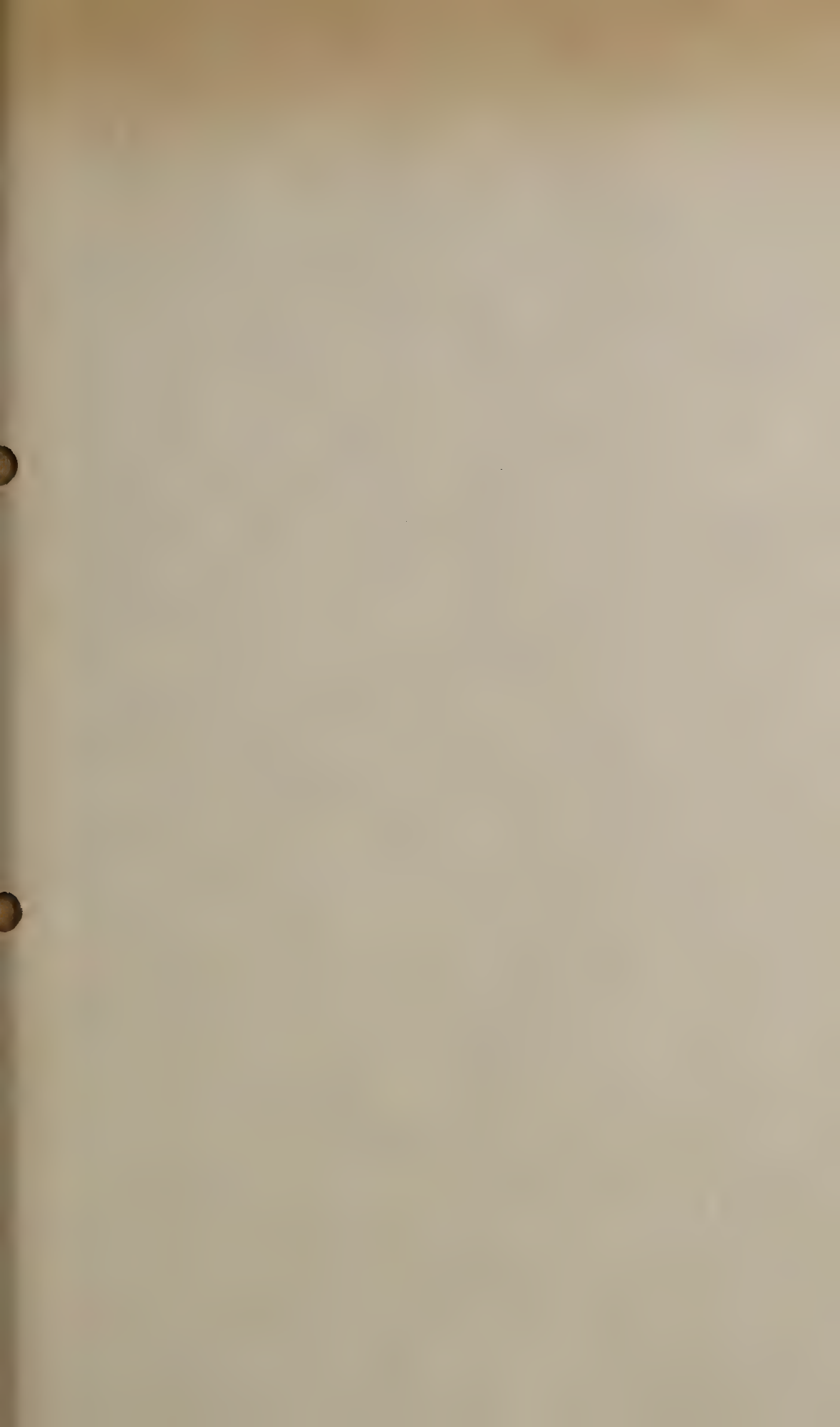
(b) Section 112 of the Soil Bank Act, as amended, and subsections (b) (3) and (4) and (e)(6) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, are repealed, except that all rights accruing thereunder to persons who entered into contracts or agreements prior to such repeal shall be preserved.

TITLE VI—TRANSFER OF ALLOTMENTS

SEC. 601. Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which an acreage allotment, base acreage, acreage-poundage quota, or sugar proportionate share (hereinafter referred to as "allotment" is established under any Federal statute which is based in whole or in part on the history of production of a commodity on the farm to sell or lease all or any part of the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; (2) may permit the producer to whom an allotment has been apportioned under any Federal statute primarily on the basis of the production of a commodity by the producer to sell, lease, or transfer by devise or other means all or any part or the right to all or any part of such producer allotment to another person; and (3) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned by him: *Provided*, That (i) no allotment shall be transferred to a farm in another State or to a person for use in another State, (ii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder, and (iii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section. The transfer of an allotment shall have the effect of transferring also the acreage history and marketing quota attributable to such allotment: *Provided*, That in case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for years subsequent to the expiration of the lease for the farm to which such allotment is transferred. The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield per acre, reasonable limits on the size of the resulting allotments on farms to which transfers are made, and such other terms and conditions as he deems necessary. If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

SEC. 602. Sections 316 and 353(f) of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed.

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"(1) The term 'foreign principal' has the same meaning as when used in the Foreign Agents Registration Act of 1938, as amended, except that such term does not include any person who is a citizen of the United States.

"(2) The term 'agent of a foreign principal' means any person who acts as an agent, representative, employee, or servant, or any person who acts in any other capacity at the order, request, or under the direction or control, of a foreign principal or of a person any substantial portion of whose activities are directly or indirectly supervised, directed, or controlled by a foreign principal."

(b) Chapter 11 of title 18, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 219. Officers and employees acting as agents of foreign principals

"Whoever, being an officer or employee of the United States in the executive, legislative, or judicial branch of the Government or in any agency of the United States, including the District of Columbia, is or acts as an agent of a foreign principal required to register under the Foreign Agents Registration Act of 1938, as amended, shall be fined not more than \$10,000 or imprisoned for not more than two years, or both.

"Nothing in this section shall apply to the employment of any agent of a foreign principal as a special Government employee in any case in which the head of the employing agency certifies that such employment is required in the national interest. A copy of any certification under this paragraph shall be forwarded by the head of such agency to the Attorney General who shall cause the same to be filed with the registration statement and other documents filed by such agent, and made available for public inspection in accordance with section 6 of the Foreign Agents Registration Act of 1938, as amended."

(c) (1) The sectional analysis at the beginning of chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"613. Contributions by agents of foreign principals."

(2) The sectional analysis at the beginning of chapter 11 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"219. Officers and employees acting as agents of foreign principals."

SEC. 9. This Act shall take effect ninety days after the date of its enactment.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. SMATHERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of H.R. 5721, Calendar No. 135, the tobacco acreage-poundage bill.

The VICE PRESIDENT. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 8, after the word "of", to strike out "excessive supplies in order to achieve the policy of the Act" and insert "supplies to the reserve supply level. Any such downward adjustment shall not exceed 10 per centum of such estimated utilization and exports"; on page 3, line 10, after the word "reserve", to insert "In determining farm acreage allotments for flue-cured tobacco for 1965, the 1965 farm allotment determined under section 313 shall be adjusted in lieu of the acreage allotment for the immediately preceding year."; on page 4, line 2, after the word "in", to strike out "like manner, except that the five most recent crop years for which data are available shall be used instead of the period 1959 to 1963" and insert "the same manner"; in line 11, after the word "be", to strike out "the sum of 75 per centum of the average of the three highest years and 25 per centum of the national average yield goal but not less than"; on page 5, line 9, after "(6)", to strike out "except that in lieu of the five consecutive crop years beginning with 1959 the five most recent crop years for which data are available for the kind of tobacco shall be used"; on page 8, line 25, after the word "within", to strike out "thirty" and insert "forty-five"; on page 9, line 19, after the word "period", to insert "If marketing quotas on an acreage-poundage basis are not approved by more than 66⅔ per centum of the farmers voting in such referendum, the marketing quotas on an acreage basis shall continue in effect as theretofore proclaimed under section 312(a)."; on page 11, line 2, after the word "under", to strike out "subsections (b) or (c) or a referendum on acreage poundage quotas under this subsection" and insert "subsection (b) or a referendum on acreage-poundage quotas under this subsection, and at least 15 days prior to the holding of any special referendum under subsection (c)."; on page 12, at the beginning of line 18, to insert "and shall not exceed the community average yield"; on page 13, line 15, after the word "may", to insert "except in the case of Burley tobacco, or other kinds of tobacco not

subject to section 316"; in line 23, after the word "transferred", to insert "Transfers of acreage allotments for 1965 under section 316 on the basis of leases executed prior to the effective date of a program for the 1965 crop of flue-cured tobacco under this section may be approved or ratified by the county committee for the purposes of this section, but the amount of allotment transferred shall be increased or decreased in the same proportion that the allotment of the farm from which it is transferred is increased or decreased under this section."; on page 14, line 12, after the word "per centum", to insert "(120 per centum in the case of Burley tobacco)"; on page 16, line 2, after the word "be", to strike out "applicable," and insert "applicable."; after line 2, to insert:

(h) Notwithstanding any other provision of this section, for any year subsequent to the first year for which marketing quotas are made effective under this section for Burley tobacco—

(1) the farm acreage allotment for Burley tobacco under this section shall not be less than the smallest of (A) the acreage allotment established for the farm for such first year, (B) the acreage allotment established for such first year for a farm which had an acreage allotment of five-tenths of an acre for the year preceding such first year, or (C) 10 per centum of the cropland; and

(2) the farm marketing quota for Burley tobacco under this section shall not be less than the minimum allotment provided by clause (1) multiplied by the farm yield established for such first year for such farm. Farm acreage allotments and marketing quotas to which the provisions of (1) and (2) are applicable shall be subject to adjustment for overmarketing or undermarketing or reductions required by subsection (f). The additional acreage and quotas required under this subsection shall be in addition to the national acreage allotment and national marketing quota.

(i) If an acreage-poundage program for flue-cured tobacco is approved by growers voting in the special referendum under subsection (b), the Secretary shall not later than January 1, 1966—

(1) Consult with representatives of all segments of the tobacco industry, including growers, State farm organizations, and cooperative associations, in meetings held for each kind of tobacco, to receive their recommendations and to determine the need for a similar or modified program for that kind of tobacco.

(2) Conduct a study and report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry on experience with and operation of the program, and make recommendations for any modifications needed to improve the program, including alternatives adapted to the different needs of other kinds of tobacco.

And, on page 18, at the beginning of line 4, to insert "(120 per centum in the case of burley tobacco)".

Mr. JORDAN of North Carolina. Mr. President, the tobacco program has often been referred to as the most successful farm program we have. For many years the present acreage allotment program for tobacco worked reasonably well in maintaining supplies in line with demand. Prices received by tobacco growers have been favorable. Costs to the Government for price supports on tobacco

FOOD AND AGRICULTURE ACT OF 1965

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of proposed legislation to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

co have been held to a minimum. In fact, for many years, price supports on tobacco operated with no costs at all to the Government. For a number of years, the steadily increasing demand for tobacco used in the manufacture of cigarettes tended to offset increased per acre yields. Also, prices trended upward, enabling the producer associations operating the support program to dispose of their holdings at prices which would enable them to repay their loans from CCC.

As a matter of fact, since 1933 the price support program costs to the Government amount to only \$39 million. On the other hand, since 1950 alone the taxes collected by Federal, State, and local governments amount to over \$39 billion.

In recent years, however excessive supplies of tobacco have accumulated because of accelerated increases in per acre yields on some kinds of tobacco, especially for Flue-cured and burley—which account for about nine-tenths of our total tobacco production. During the 5 years, 1954–58, Flue-cured tobacco yields average 1,509 pounds per acre. In 1964, Flue-cured yields are estimated to have averaged 2,203 pounds per acre, an increase of 46 percent. Similarly, the 1964 crop of Flue-cured tobacco was 5 percent larger than the 1954 crop, notwithstanding the fact that the acreage grown in 1964 was 40 percent less than the 1954 acreage.

The burley story is quite similar. Burley yields averaged 1,579 pounds per acre in 1954–58, but increased to an all-time high of 2,231 pounds per acre in 1963. Unfavorable weather conditions prevailed in parts of the burley-producing area in 1964 but yields still averaged over 2,000 pounds per acre—second only to the 1963 record.

It is clear that we have by no means reached the limit in yields per acre. Research conducted by both the Department and by the land-grant colleges clearly shows that further increases in per-acre yields are readily obtainable. The records of individual farm marketings which are maintained in the county ASCS offices disclose numerous instances of yields as high as 3,500 pounds per acre, with some running even higher.

With increased yields per acre, the quality of U.S. grown tobacco has deteriorated and we have lost more of the export market for our tobacco. All tobacco offered for sale on auction markets is graded by trained Federal graders. During the 5 years, 1946–50, 31.1 percent of Flue-cured tobacco marketed in the United States was placed in first, second, and third qualities by USDA inspectors. During the 5 years, 1956–60, only 14.4 percent was placed in the first three qualities. For the 1962 crop, only 10.3 percent, or about one-third as much as in 1946–50, was graded into the first, second, and third qualities. Since Government grade standards for Flue-cured tobacco were substantially revised in 1963, comparable data for the 1963 and 1964 crops are not available.

Tobacco grown in the United States over the years has been noted for its superior quality. It has been the hallmark

of quality in world tobacco trade. Historically, there has been a strong consumer preference for tobacco products made from U.S. leaf. High-quality cigarettes in most countries of the world have been made solely from U.S. leaf or blends of U.S. leaf with domestic or other imported leaf.

The United States has the soil, climate, research program, and know-how to produce tobacco far superior in quality to that produced in any other area of the world. U.S. leaf has excelled in nearly all phases of smoking and manufacturing qualities, including flavor and aroma.

Flue-cured tobacco has become of increasing importance in world tobacco trade since the end of World War II, and now accounts for around 50 percent of all free world tobacco exports of leaf tobacco. In spite of increased demand for flue-cured from world markets, the U.S. export level has remained relatively constant at about 450 million pounds annually. During this period, our competitors have been moving larger and larger quantities into world trade.

In 1950–54, an average of about 670 million pounds of flue-cured tobacco moved from free world countries. Of this total, the U.S. share was about 66 percent. During 1955–59, when an average of nearly 780 million pounds were being exported by free-world countries, the U.S. share was 60 percent—a drop of 6 percent in that short period of time.

For 1960–64, the U.S. share was only a little over 50 percent, and based on preliminary data, the U.S. share in 1964 was only 45 percent.

Recognizing that unless some remedial action were taken, the National Tobacco Industry Advisory Committee, which, incidentally, is a 44-member group, representing all types of tobacco and all segments of the industry, formed specifically to advise the Secretary of Agriculture on tobacco matters, at its meeting during the period November 18 and 19, 1964, set up a task force to study the problem. Members of the task force were chosen from the Advisory Committee, land-grant colleges, and the U.S. Department of Agriculture.

A report was prepared and on January 15, 1965, the National Advisory Committee met to consider it.

The report of the task force dealt primarily with a proposal to stabilize production of tobacco by means of an acreage-poundage program. An acreage-poundage program would continue acreage allotments, and in addition apportion poundage quotas among growers. This would provide more effective adjustment of supplies in line with demand, and would provide greater incentive for quality improvement—an essential prerequisite if exports are to be expanded. The Advisory Committee thoroughly discussed the principal features of the proposed acreage-poundage program and unanimously recommended that the Department of Agriculture adopt this approach to the problem of stabilizing tobacco production. It was recognized that legislative authority was necessary before further steps could be taken.

The President, in part of his agricultural message to Congress on February 4, 1965, stated:

The tobacco program must also be reappraised this year. Yield increases, higher Government costs, deterioration in quality, and loss of foreign markets have weakened what has been a highly successful program.

Legislation is needed to authorize production and marketing limits on an acreage-poundage basis. Consideration should also be given to revisions in our programs which will make American tobacco more competitive in world markets.

Mr. President, I refer to the President's message to Congress on agriculture. Legislation authorizing the establishment of an acreage-poundage program for tobacco was introduced in both the Senate and House of Representatives. Hearings on this legislation have been held in Washington, and also in the Flue-cured tobacco producing areas—Flue-cured tobacco is the only kind of tobacco that would be affected in the 1965 crop year if the proposed legislation becomes law. The Under Secretary of Agriculture testified in favor of the proposed legislation authorizing an acreage-poundage program for tobacco at hearings held by the Senate and the House Agriculture Committee on February 9 and 11, respectively.

On March 23, 1965, H.R. 5721, a bill to provide for acreage-poundage marketing quotas for tobacco, and for other purposes, was passed by the House of Representatives and the bill in an amended form is now before the Senate.

The computation of acreage-poundage quotas is as follows:

Whenever acreage-poundage quotas are proclaimed, the Secretary would announce a national marketing quota equal to the amount to be utilized in the United States and exported during the marketing year, adjusted up or down as needed to maintain an adequate supply or to reduce supplies to the reserve supply level. The downward adjustment could not exceed 10 percent of such utilization and exports. The national quota would be apportioned in the following manner:

First. The national quota would be converted to a national acreage allotment on the basis of a "national average yield goal"—a yield which on a national average basis will improve or insure the usability of the tobacco and increase the net return per pound.

That means that the tobacco they would grow would be of better quality and bring a better price in the market.

Second. Farm acreage allotments would be established by adjusting the farm acreage allotments for the preceding year uniformly so that the total of the new allotments equals the new national acreage allotment—less a reserve of not to exceed 1 percent, which would be used to provide allotments for new farms and to correct errors and inequities.

Mr. President, in working with any of these formulas, there is always some error made in computation of inequities. Some new farms come into existence. The 1 percent was included here to take care of that problem.

I should also like to add at this particular point that a situation has been called to my attention by one or two farmers and there are probably several others—who this year bought new farms that they had never farmed before. However, the farms had tobacco allot-

Mr. MATSUNAGA.
Mr. STRATTON.
Mr. ST. ONGE in two instances.
Mr. TUCK in two instances.
Mr. COOLEY in two instances.
Mr. SCHEUR in two instances.
Mr. KING of Utah.
Mr. ROYBAL in five instances.
Mr. PUCINSKI in five instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 254. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Tualatin Federal reclamation project, Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 307. An act granting the consent of Congress to a compact relating to taxation of motor fuels consumed by interstate buses and to an agreement relating to bus taxation proration and reciprocity.

ADJOURNMENT

Mr. FARNUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Tuesday, April 6, 1965, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

860. A communication from the President of the United States transmitting a draft of proposed legislation entitled "A bill to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes" (H. Doc. No. 137); to the Committee on Agriculture; and ordered to be printed.

861. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to authorize appropriations for the payment of rewards to facilitate the capture of fugitives from District of Columbia institutions and conditional release and parole violators"; to the Committee on the District of Columbia.

862. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the act of July 11, 1947, to include members of the District of Columbia Fire Department, in the Metropolitan Police Department band, and for other purposes"; to the Committee on the District of Columbia.

863. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill relating to compensation of

summer school personnel of the public schools of the District of Columbia"; to the Committee on the District of Columbia.

864. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to authorize appropriations for the acquisition of land for the Washington Aqueduct by the Chief of Engineers, Corps of Engineers, U.S. Army"; to the Committee on the District of Columbia.

865. A letter from the Acting Administrator, General Services Administration, transmitting a report listing department and independent agencies exercising the authority providing for information on contracts negotiated for experimental, developmental, or research work or for the manufacturing or furnishing of property for such work for period July 1 through December 31, 1964, pursuant to section 302 of 5 U.S.C. 630; to the Committee on Government Operations.

866. A letter from the Comptroller General of the United States, transmitting a report of lack of information on construction costs incurred by sponsor-controlled subcontractors may unduly increase insured mortgages on multifamily housing projects, Federal Housing Administration, Housing and Home Finance Agency; to the Committee on Government Operations.

867. A letter from the Comptroller General of the United States, transmitting a report on unnecessary costs incurred in the indirect procurement of selected subsystems and accessories for the P-3 aircraft, Department of the Navy; to the Committee on Government Operations.

868. A letter from the Comptroller General of the United States, transmitting a report on unnecessary costs incurred because of acceptance of physically unqualified enlisted members in the Armed Forces, Department of Defense; to the Committee on Government Operations.

869. A letter from the Comptroller General of the United States, transmitting a report on potential savings through use of Government-owned housing to meet military requirements in the Orlando, Fla., area, Federal Housing Administration, Housing and Home Finance Agency, and Department of Defense; to the Committee on Government Operations.

870. A letter from the Archivist of the United States, General Services Administration, transmitting a report of records proposed for disposal pursuant to 63 Stat. 377; to the Committee on House Administration.

871. A letter from the Assistant Secretary of the Interior, transmitting a report relative to deferment of charges for the period 1963 through 1972 payable by the Casper-Alcova Irrigation District, Kendrick project, Wyoming, to permit the continuation of a seepage control program, pursuant to Public Law 86-308; to the Committee on Interior and Insular Affairs.

872. A letter from the Assistant Secretary of the Interior, transmitting a draft of contract proposed with the Kansas-Bostwick Irrigation District No. 2, Missouri River Basin project, Kansas, for minor construction work, pursuant to 70 Stat. 274; to the Committee on Interior and Insular Affairs.

873. A letter from the Administrator, Federal Aviation Agency, transmitting the sixth annual report of the Agency for fiscal year 1964, pursuant to section 313(e) of the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

874. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to provide penalties for certain offenses committed in connection with highway construction"; to the Committee on the Judiciary.

875. A letter from the Administrator, Housing and Home Finance Agency, transmitting

a report for calendar year 1964 with respect to tort claims paid within the Agency, pursuant to 28 U.S.C. 2672 and 2673; to the Committee on the Judiciary.

876. A letter from the Commissioner, Immigration and Nationality Service, U.S. Department of Justice, transmitting an order suspending deportation in the case of Benjamin Pollock, A-8862836, pursuant to section 244(a)(2) of the Immigration and Nationality Act of 1952, as amended by Public Law 87-885; to the Committee on the Judiciary.

877. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

878. A letter from the Commissioner, Immigration and Nationality Service, U.S. Department of Justice, transmitting copies of orders suspending deportation in certain cases, and lists of persons involved, pursuant to section 244(a)(1) of the Immigration and Nationality Act of 1952, as amended by Public Law 87-885; to the Committee on the Judiciary.

879. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders exercised in behalf of certain aliens and entered in cases in which the authority is contained in section 212(d)(3) of the Immigration and Nationality Act, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

880. A communication from the President of the United States transmitting an amendment reducing the request for appropriations transmitted in the budget for 1966 for the Department of Health, Education, and Welfare (H. Doc. No. 138); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 31, 1965, the following bill was reported on April 2, 1965:

Mr. MAHON: Committee on Appropriations. H.R. 7091. A bill making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes; without amendment (Rept. No. 224). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, pursuant to the order of the House of March 31, 1965, the following bill was reported on April 3, 1965:

Mr. HAYS: Committee on Foreign Affairs. H.R. 7064. A bill to amend the Foreign Service Buildings Act of 1926, as amended, without amendment (Rept. No. 225). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of March 31, 1965, the following bill was introduced on April 2, 1965:

By Mr. MAHON:
H.R. 7091. A bill making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes.

[Introduced and referred April 5, 1965]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 7092. A bill to expand, extend, and accelerate the saline water conversion program conducted by the Secretary of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BOLAND:

H.R. 7093. A bill to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to the Committee on Public Works.

By Mr. BURTON of Utah:

H.R. 7094. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. CAMERON:

H.R. 7095. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on communications; to the Committee on Ways and Means.

By Mr. CLEVENGER:

H.R. 7096. A bill to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to the Committee on Public Works.

By Mr. COOLEY:

H.R. 7097. A bill to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes; to the Committee on Agriculture.

By Mr. DENT:

H.R. 7098. A bill to amend section 302(c) of the Labor-Management Relations Act, 1947, to permit the participation of retired employees of employers, employees of certain labor organizations and employees of certain trust funds as well as certain self-employed persons to participate as beneficiaries of welfare and pension trust funds; to the Committee on Education and Labor.

By Mr. FLOOD:

H.R. 7099. A bill to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to the Committee on Public Works.

By Mr. FOGARTY:

H.R. 7100. A bill to provide for the establishment and operation of a National Technical Institute for the Deaf; to the Committee on Education and Labor.

By Mr. JOELSON:

H.R. 7101. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer supporting a dependent who is mentally retarded; to the Committee on Ways and Means.

By Mr. McDOWELL:

H.R. 7102. A bill to amend the Interstate Commerce Act to impose certain additional conditions on the discontinuance of passenger train operations; to the Committee on Interstate and Foreign Commerce.

By Mr. MORRIS:

H.R. 7103. A bill to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo In-

dian lands; to the Committee on Interior and Insular Affairs.

By Mr. MOSS:

H.R. 7104. A bill to require the payment of interest for delinquent mineral leasing obligations; to the Committee on Interior and Insular Affairs.

By Mr. PATMAN:

H.R. 7105. A bill to provide for continuation of authority for regulation of exports, and for other purposes; to the Committee on Banking and Currency.

By Mr. RONCALIO:

H.R. 7106. A bill to repeal section 14(b) of the National Labor Relations Act, as amended, and section 705(b) of the Labor-Management Reporting and Disclosure Act of 1959 and to amend the first provision of section 8(a)(3) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. ROONEY of Pennsylvania:

H.R. 7107. A bill to amend title 37, United States Code, to increase the rates of basic pay for members of the uniformed services; to the Committee on Armed Services.

By Mr. RYAN:

H.R. 7108. A bill to establish a Department of Housing and Urban Development, and for other purposes; to the Committee on Government Operations.

By Mr. SLACK:

H.R. 7109. A bill to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to the Committee on Public Works.

By Mr. TUNNEY:

H.R. 7110. A bill to amend title II of the Social Security Act to provide that a survivor beneficiary shall not lose his or her entitlement to benefits by reason of a marriage or remarriage which occurs after he or she attains age 62; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 7111. A bill to amend the Federal Coal Mine Safety Act so as to provide further for the prevention of accidents in coal mines; to the Committee on Education and Labor.

By Mr. McCULLOCH:

H.R. 7112. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. OLSEN of Montana:

H.R. 7113. A bill to provide for the utilization of professional services of qualified consulting engineers in private industry in connection with public works and other projects undertaken by the Federal Government; to the Committee on the Judiciary.

H.R. 7114. A bill to repeal the provisions of law relating to the fixing by the Postmaster General, with the consent of the Interstate Commerce Commission, of rates of postage on fourth-class mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SENNER:

H.R. 7115. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to promote the welfare of the Indian tribes by making available to them surplus personal property; to the Committee on Government Operations.

By Mr. BROWN of California:

H.R. 7116. A bill to amend title 38 of the United States Code to permit the Administrator of Veterans' Affairs to correct certain physical defects of veterans during the course of their hospitalization in a Veterans' Administration facility; to the Committee on Veterans' Affairs.

H.R. 7117. A bill to provide a realistic cost-of-living increase in rates of subsistence allowances paid to disabled veterans pursuing

vocational rehabilitation training and to the sons and daughters of deceased or permanently and totally disabled veterans pursuing a program of education under the war orphans' educational assistance program; to the Committee on Veterans' Affairs.

H.R. 7118. A bill to amend title 38 of the United States Code to make the children of certain veterans having a service-connected disability rated at not less than 50 percent eligible for benefits under the war orphans' educational assistance program; to the Committee on Veterans' Affairs.

H.R. 7119. A bill to amend title 38 of the United States Code to provide increases in the rates of disability compensation to reflect the increase in the cost of living from the year 1933; to the Committee on Veterans' Affairs.

H.R. 7120. A bill to amend chapter 31 of title 38, United States Code, to extend to all totally disabled veterans the same liberalization of time limits for pursuing vocational rehabilitation training as was authorized for blinded veterans by Public Law 87-591, and to clarify the language of the law relating to the limiting of periods for pursuing such training; to the Committee on Veterans' Affairs.

By Mr. BURKE:

H.R. 7121. A bill to provide grants for public works and development facilities, other financial assistance, and the planning and coordination needed to alleviate conditions of substantial and persistent unemployment and underemployment in economically distressed areas and regions; to the Committee on Public Works.

H.R. 7122. A bill to amend section 5051(a) of the Internal Revenue Code of 1954 to aid small business and discourage continued concentration in the brewing industry; to the Committee on Ways and Means.

By Mr. CARTER:

H.R. 7123. A bill to amend section 1498 of title 28, United States Code, to authorize the use or manufacture, in certain cases, by or for the United States of any invention described in and covered by a patent of the United States; to the Committee on the Judiciary.

By Mr. DON H. CLAUSEN:

H.R. 7124. A bill to authorize the Secretary of Agriculture to exchange land with the county of Del Norte, Calif., and for other purposes; to the Committee on Agriculture.

By Mr. GERALD R. FORD:

H.R. 7125. A bill to guarantee the right to vote under the 15th amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H.R. 7126. A bill to amend title II of the Social Security Act to provide that a survivor beneficiary shall not lose his or her entitlement to benefits by reason of a marriage or remarriage which occurs after he or she attains age 62; to the Committee on Ways and Means.

By Mr. McVICKER:

H.R. 7127. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 7128. A bill to amend title II of the Social Security Act to provide that a survivor beneficiary shall not lose his or her entitlement to benefits by reason of a marriage or remarriage which occurs after he or she attains age 62; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 7129. A bill to amend title II of the Social Security Act to provide that a survivor beneficiary shall not lose his or her entitlement to benefits by reason of a marriage or remarriage which occurs after he or she attains age 62; to the Committee on Ways and Means.

individuals can work directly with the people of Uruguay.

What are the steps that can be taken in Minnesota to effect a statewide program and what can the Jaycee's do to spearhead the effort in this State?

First. The Jaycee's can be the leaders to help direct the selection of a statewide representative committee. All spectrums of life in Minnesota should be represented in that body.

Second. It would be the responsibility of the State committee to select a strong State chairman and executive committee.

Third. A nominating committee drawn from the parent committee would have the responsibility of selecting a program development team whose membership should encompass the fields of education, health, labor, business and civic organizations.

Fourth. Our mission in Uruguay will issue invitational travel orders for your Minnesota team to go to Uruguay and see the people. They would first meet with U.S. AID officials for briefings on the economic programs developing within that country as well as political briefings by our Embassy. The team would experience no junket, nor pink tea visit, but rather would ride in jeep or boat or plane to get out into the countryside, and would wade in the backwash of the rivers and eat the dust of the open road. Our teams return from Latin America complaining that they have no time to buy souvenirs. Their schedule each day is an arduous one.

Fifth. Your Minnesota team would then report their findings back to the State committee and discuss the self-help projects they had witnessed. It would be their task to help formulate the program by which the material and human resources of Minnesota could be marshaled and brought to bear upon the need they found.

Sixth. Finally, every Jaycee chapter in the State would be called upon to seek the groups and organizations within their communities to implement small impact-type projects that mean so much to the people who, by their own hands, attempting to make for themselves and their children a better life. It is a fact that there is widespread self-help in Latin America and it is one of the reasons why the American people and the Congress are responding to the partners program. Our partners office acts as a catalyst to bring the private sector here and in Latin America together and 25 of our States are now engaged in the program. In his foreign aid message of January 14, 1965, the President of the United States saw fit to mention the partners program as one of the accomplishments of the Alliance for Progress. It is your program. The Government stands in the wings to serve as your resource, to speed communications and transportation between you and your partner.

In such a program, a program in which the efforts of all your citizens are important, each Jaycee chapter throughout Minnesota can function to develop this statewide program by taking the lead in your communities. I know of no more action-minded group to show the way. I urge you to lead. Your counterparts in Idaho, Colorado, and Alabama have launched the program. I predict that Minnesota can soon lead the Nation in a mighty response of the people here to lend a hand to those already helping themselves. I know that Minnesota will meet their extended hand not with charity but with friendship.

America is responding through her citizens in meeting the challenge. They seek to lift the eyes of despair to hope, to join hands with friendship.

America is responding through her citizens in meeting the challenge. They seek to lift the eyes of despair to hope, to join hands with those who seek to improve their lot,

and thus, together, attain a vast improvement in the lives and spirits of men throughout the Americas.

I have come here today to seek your help, looking toward the prospect of Minnesota, with its industrious people and its bountiful resources, joining in a meaningful partnership with Uruguay. I am confident that Minnesota will respond.

[From Time magazine, Feb. 19, 1965]

THE ALIANZA—STATES-TO-PEOPLE AID

The biggest share of Alliance for Progress aid goes into long-term development programs, and it often takes a desperately long time to filter through Government bureaucracies. To give ordinary Latin Americans a sense of progress now, the United States is backing a new program called partners of the alliance. The idea is to match a U.S. State with a country, region, or large state in Latin America that shares some common characteristics and let the partners take it from there.

Since the program started 17 months ago, 22 U.S. States have joined, and 13 more are expected to sign up by the end of this year. Alianza officials in Washington establish the first contacts between the State governments and their Latin American opposite numbers. Utah is paired with Bolivia because both have a mountainous, mining economy; Illinois is matched with the big Brazilian state of São Paulo, whose booming highly industrialized capital city is Latin America's closest facsimile of Chicago. Most of the U.S. States then send a delegation down south to see how they can be useful, then get in touch with local organizations at home to get the plans going.

A shipment of 21 tons of electrical equipment from rural electrical cooperatives in Kentucky is helping an Ecuadorian cooperative double its output; Wisconsin plans to send a similar shipment to Nicaragua. Idaho has sent sewing machines to an Ecuadorian orphanage where the girls learn to become seamstresses. The junior chamber of commerce in Mobile, Ala., has sent to Guatemala a bookmobile and funds to build a rural school, while Santa Barbara, Calif., has provided \$100,000 worth of medical equipment and pharmaceuticals for Bogotá.

Last week a Texas delegation headed by Edward Marcus, of Dallas' Neiman-Marcus department store returned from Lima, where the Texans investigated joint-venture possibilities with Peruvian businessmen. And a group of New Jersey civic leaders is just back from a visit to Brazil's underdeveloped northeast state of Alagoas, looking for ways to help Brazilians help themselves. In one village the North Americans promised assistance for 10 self-help projects, starting with a powerful pump for an irrigation well. Arthur Byrnes, assistant Alianza director for Brazil, explains: "This program is small in terms of dollars. But it is reaching the people directly, bringing about immediate results, and that makes a great difference."

THE NEW FARM BILL

Mr. McGOVERN. Mr. President, my attention has been called to the fact that the press-association articles on the farm bill sent to Congress today feature the statement that it will increase a little the consumer cost of bread.

Personally, I think the big news in the farm-bill story is that the income of farmers, who have been hard pressed for a decade now, is going to be improved a little, the rate of disappearance of farming units will slow down some, and the national economy will be stronger, as a result of the proposals the administration has made.

It is an interesting fact that strenuous efforts are always made to arouse consumers about farm bills, but the protests are almost always synthetic; they are not bona fide consumer protests.

The editor of the editorial pages of the Des Moines Register and Tribune made a speech at the fifth annual Farm Policy Review Conference here in Washington, in January; and he pointed out that the "bread-tax" cry was raised by a certain farm organization and agriculture-related industries, and that it did not originate with consumer or labor groups.

The editor, Lauren Soth, had the assistance of Dr. Don Hadwiger, of Iowa State University, in going over labor and consumer publications for 10 years.

Mr. Soth said, in his talk at the conference:

There has been a great deal of talk in farming circles in recent years about "poor public relations," "bad press for agriculture," and the like. But I have found little evidence of this. In preparation for this paper, a search of recent (last 10 years) published materials of labor unions, consumer groups, and urban groups failed to produce significant examples of protest against farmers because of high food costs.

As a matter of fact, the AFL-CIO usually has backed farm income support legislation in Congress. Consumer and urban groups, to the extent that they have taken an interest in agriculture at all, have been more concerned with the problem of poverty in agriculture, migratory farm labor, the absence of welfare legislation for farm workers and that sort of thing than in food prices. The National Consumers League, for example, testifying in Congress on farm labor and rural poverty in 1964, argued that the consumer could well afford the slight increase in cost of food that might accrue through providing a minimum wage and better living conditions for farm laborers.

The truth is that practically all the objection to farm production controls comes from certain farm organizations and agriculture-related industries, which have a stake in large volume farm production, and from theorists who see such regulations as beyond the pale of prescribed doctrine of free enterprise. Farm organizations in some cases have argued that consumer antagonism required a reduction in farm controls. There has been talk of farm price support legislation being a "bread tax" on consumers. So far as I have been able to find, this protest does not come from consumers.

I sincerely hope the press will be fair to farmers, and will report the plight of farm operators.

For example, since 1959, prices received by farmers have dropped 6 percent, but prices paid by farmers are up 9 percent. The parity ratio, reflecting the relationship between prices received and prices paid, stood at 85 in 1958, and was down 10 points to 75 last year.

Giving the farmers 100 percent of parity for domestic food-wheat is not going to cost American citizens as much as \$3 per capita per year, based on average consumption of wheat products.

Food will still cost American citizens a smaller proportion of their income than food costs in any other nation in the world. Food will still be a bargain; and the American economy will be healthier—to the benefit of everyone in the Nation—if the Secretary's recommendation on food-wheat is carried out.

My objection to the new farm bill, which I have examined only hurriedly, is that half the increase in return from domestic food-wheat is to be recaptured by the Treasury by discontinuing export certificates—\$125 million out of a prospective \$250 million gain in farm income—at a time when saving farmers is more important than cutting the farm budget.

The liquidation of farmers hurts cities as much as it hurts rural areas. Half of the unemployment in our cities today is a result of displacement of farmers, who have been forced to move into cities and to search for jobs that are not available.

The modest increase in consumer costs proposed in the administration farm bill is probably a great deal less than city consumer costs will be to pay relief and unemployment costs, if farm income is not brought up to considerably improved and more equitable levels.

TERMINATION OF MEXICAN FARM LABOR PROGRAM

Mr. McCARTHY. Mr. President, in 1963, Congress voted to terminate the Mexican farm labor program. It did so because of the evidence that the annual importation of some 200,000 or more Mexican workers resulted in severe adverse effects on the job opportunities, wages, and working and living conditions of domestic migratory farm workers.

Congress gave the employers sufficient notice, of nearly a year and one-half, that they would have to make adjustments and develop new methods of recruiting workers.

It certainly was not the intention of Congress that the purpose of terminating Public Law 78 was to be offset by a great increase in the number of foreign workers recruited under another program permitted by the immigration laws.

I believe that Secretary of Labor Wirtz deserves commendation for his conscientious efforts to deal with this problem and to keep the number of foreign workers at a minimum.

Recently, representatives of the eastern and southeastern councils of churches met in Washington. This region includes 22 States, from the eastern seaboard through Minnesota. They issued a thoughtful statement regarding the migratory farm labor problem and the work of Secretary Wirtz; and I ask unanimous consent that their statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF EASTERN AND SOUTHERN COUNCILS OF CHURCHES CONCERNING MIGRATORY FARM LABOR

WASHINGTON, D.C.—Representatives of 22-eastern and southeastern State councils of churches meeting in Washington sent a message today to Secretary of Labor Willard Wirtz and congressional leaders supporting Mr. Wirtz in his firm stand against continued importation of foreign farm labor unless the grower can prove in good faith that he cannot recruit an adequate supply of domestic labor.

The statement said:

"The migrant ministry of the churches working together through the Councils of Churches has always conceived of its mission

to include a ministry to both farm laborers and growers. In the interest of both, we recommend continued opposition in principle to the importation of foreign labor because of its detrimental effect on the domestic labor market and the agricultural economy of the Nation, and because it is believed there is sufficient domestic labor to meet the growers' needs if they are properly recruited, trained, and paid.

"It is recognized, however, that during the period of transition from the use of foreign to domestic labor many growers and those who must supply farm labor are faced with complex problems, but it is believed that the present regulations set by the Secretary of Labor are adequate.

"These regulations sharply restrict the use of foreign labor, but do permit their importation for emergency needs, where the grower has demonstrated his inability to employ domestic labor.

"We firmly oppose any legislation that would open the door to the importation of foreign labor and express confidence in the Secretary of Labor to administer these regulations. It is strongly recommended that he not certify the importation of foreign labor until it has been demonstrated to him beyond reasonable doubt that the growers, in good faith, have exhausted every means possible of securing domestic labor without success.

"We also recognize that some growers face legitimate problems during the first year of transition from foreign to domestic labor and will need the Secretary of Labor's help in securing the labor they need.

"We are pleased to hear of and commend those growers who have by their own efforts and initiative raised farm labor standards and wages and have attracted sufficient domestic labor to meet their needs.

"The Secretary of Labor is also urged to intensify the efforts of Government to help provide an adequate supply of better trained domestic farm labor for the growers, and to raise labor standards so that no grower will need foreign labor in the future.

"We urge continued support for further migrant labor legislation to provide for (1) extension of the Migrant Health Act; (2) an agricultural minimum wage; (3) collective bargaining rights for farm workers; (4) prohibition of harmful child labor on the farm; (5) better recruitment, transportation, and placement procedures for migratory farm workers, and (6) the establishment of a National Advisory Committee on Farm Labor."

Executive secretaries and directors of migrant ministry from 22 eastern and southeastern State councils of churches have been attending their eastern regional conference on the migrant ministry this week at the National 4-H Center in Washington.

EQUITY FOR AGRICULTURE

Mr. MCGOVERN. Mr. President, Anson Horning, of the National Association of Wheat Growers, has just released a statement supporting the President's proposals today in the wheat section of the new farm bill.

Mr. Horning directs attention to the fact that wheat price has little to do with bread cost; that in 1947, when wheat was \$2.80 a bushel—more than the President proposes for farmers at full parity, the price of a 1-pound loaf of bread was only 14 cents.

If the full cost of giving farmers a 100-percent return on domestic food wheat is passed on to consumers, he estimates that it will cost the average family about 2 cents a day, or only \$1.60 a person, annually.

I ask unanimous consent that Mr. Horning's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ANSON HORNING, PRESIDENT OF NATIONAL ASSOCIATION OF WHEAT GROWERS, LARNED, KANS., SUPPORTING PRESIDENTIAL FARM BILL WHEAT PROPOSALS

Anson Horning, president of the National Association of Wheat Growers, said the release of the administration wheat bill with provisions to improve wheat producers income was welcome news to wheatgrowers throughout the United States. "With income down the past few years and operating costs continuing to climb, many growers have been hard-pressed just to meet operating cost," Horning said. He stressed that 100 percent of parity on domestic consumption would improve income to growers without additional costs to the Treasury.

He pointed out the average American consumer today is spending only 18.5 percent of his income for food, and this is a smaller percentage than the consumers of any nation in the world spend for food.

Horning admitted that when the certificate price is increased to reflect full parity, the price of a one pound loaf of bread could increase by about seven-tenths of a cent. He further pointed out, "In 1947 the price of a one pound loaf of bread was about 14 cents and wheat was selling for \$2.80 per bushel, now, today, wheat is selling for \$2.00 per bushel for domestic consumption, and that same one pound loaf of bread costing consumers 21 cents—an increase of 50 percent to consumers while farm prices were declining almost 30 percent." He continued, "If the wheat farmer had received an 81 percent increase in the price of wheat from 1947 to 1963—the same as marketing spreads had increased—he would now be getting almost \$4.00 per bushel for his wheat, and a loaf of bread would be costing consumers more than 24 cents."

"The added income for growers provided in the wheat bill will cost the average family in the United States only about 2 cents per day, or about \$1.60 per year for each person. We believe that labor, industry, and the consumers of this Nation want to see Agriculture prosper, and will support this small increase in the price of bread in order to insure a healthy and prosperous wheat industry," Horning concluded.

ADDRESS BY ROGER SAVARY TO ANNUAL CONVENTION OF NATIONAL FARMERS UNION

Mr. McCARTHY. Mr. President, one of the principal addresses at the 63d annual convention of the National Farmers Union, held recently in Chicago, was delivered by Roger Savary, secretary general of the International Federation of Agricultural Producers.

In his address Mr. Savary reviewed briefly the history and activities of the international federation, and discussed the problems facing farm families in countries where a free economy exists—in particular, that of maintaining the individual owner-operator system of farming. He also dealt with the question of competition between farmers of each nation, as well as their areas of agreement.

I believe that his address will be of interest to all who are concerned with farm problems; therefore, I ask unanimous consent that it be printed at this point in the RECORD.

There will be no privileged material in the magazine article insofar as basing it on congressional testimony is concerned.

If the article carries out the purport of the Khaibar Khan story, and if the facts are as we believe them to be, it will be essentially and notoriously libelous—libelous of some very important Americans, libelous of a great many people whose good reputation will be at stake and who will necessarily desire to carry Khaibar Khan and company into the civil courts in a case of civil libel.

In my experience, I have found that it has sometimes been easier to establish facts in a civil suit for libel than it has been to ask the Department of Justice to screen conflicting testimony.

I recall the fact that Alger Hiss escaped any kind of punishment from the law in this country until he trapped himself into instigating a libel suit against one Whitaker Chambers. When a civil suit for money is brought in an American court, the kind of evidence which often crops up is amazing. If this magazine carries the proposed article, if it contains the story in detail that Khaibar Khan imposed upon us, and if the facts are what the committee believes them to be, I can well imagine that there will be some rather substantial libel suits filed against that magazine. In that case it will be a question of "fish or cut bait." At that instance either the whole Khaibar Khan fabrication will fall down like a house of cards, or he will be compelled to produce evidence which he did not make available to our committee with which to substantiate his charges.

Mr. McCLELLAN. Mr. President, since the distinguished Senator from South Dakota has referred to a magazine article that might appear, I believe the Record should be made clear that the action taken here today had been authorized and directed before any member of the committee, so far as I know, ever heard of an impending magazine article.

Mr. MUNDT. That is certainly correct so far as the Senator from South Dakota is concerned. We took our action some time last week, and I did not hear about the story until the past weekend.

Mr. McCLELLAN. The first I knew about a purported magazine article was about 9 o'clock on Friday night. I took some papers home to read, and I found among them an advance copy of the article. That had nothing to do with the action of the committee. The action to make this statement and to refer the question to the Department of Justice was taken by the committee before the committee ever heard of a purported magazine article.

Mr. MUNDT. As contained in the printed record of our last session, the chairman made the announcement one day last week. That statement appears in the official notes of the committee.

Mr. McCLELLAN. I think the record will be clear. I thank the Senator. I now yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I concur in what my chairman, the distinguished senior Senator from Arkansas, has said about the Khaibar Khan investigation.

I was present in executive session

when Khaibar Khan and Miss Marian Kushan appeared in the first instance and presented their allegations. The allegations were such that they called for a painstaking investigation and inquiry into many things and many approaches to the problem. As usual, the committee, under the leadership of Chairman McCLELLAN, conducted a thorough investigation. There rests upon the committee an obligation to the taxpayers, to the Government of the United States as an entity, and, of course, to every individual whose name was mentioned in the allegations.

The distinguished chairman stated that there were three executive sessions. The subject was discussed many times in addition to the discussions at the specific meetings called for this purpose. Inquiries were made from time to time with members of the staff concerning their progress. A thorough investigation of the subject was made. The allegations were not found to be true, as was stated by the chairman. I think that should be said, and it should be said by all of us who participated.

I take this occasion to say to the Senate and to the country at large that Chairman McCLELLAN has conducted a careful, painstaking, thorough investigation. His conclusions are correct, they are accurate, and they are in the public interest. I commend him for it.

Mr. McCLELLAN. I thank the distinguished Senator from Nebraska. Of course, we do not accomplish anything except as a team. We all work together. I am indebted to my colleagues on the committee and to the able staff for these good results—I hope they are good results—that we have been able to accomplish in the inquiry.

I yield the floor.

INVESTIGATION OF BANKS

Mr. LAUSCHE. Mr. President, several weeks ago I introduced a bill to conduct a study of the manner and the method in which the fiscal position of banks would be investigated. It has been my belief that the liquidity of the banks is growing worse as time goes on. I am also of the conviction that loose practices have developed in the making of loans. I have noted that the newspapers, in relation to the investigation which the Committee on Government Operations is conducting, have touched upon the subject lightly.

I ask the Senator from Arkansas whether in his committee he contemplates exploring the noncoordination that exists between different Federal officials who are in charge of inspecting banks, ascertaining their liquidity, and determining the type of their management.

Mr. McCLELLAN. The first three or four witnesses to appear before the committee were the heads of the four agencies of the Federal Government that have some responsibility in connection with the banking and the building and loan system in our country. In the course of their testimony, it developed that apparently there had not been the

kind of coordination and cooperation that some of us think should prevail.

Subsequent testimony has also revealed some other information that would tend to substantiate the charge that there has not been the liaison and cooperation between agencies that there should be. We are already into it.

Mr. LAUSCHE. I have observed that some measures have already been adopted as a consequence of the investigation.

Mr. McCLELLAN. Some action has already been taken. Some practices have been discontinued, and therefore, I think that there is better liaison and better cooperation than there was when the hearings began.

Mr. LAUSCHE. My own opinion is that the isolated revelations that have thus far come to the surface are characteristic of what were to be found, in many instances, in the type of credit that is accepted and in the looseness of accredited practices.

I stated 3 or 4 weeks ago that 10 years back the Government bonds and cash held by banks constituted about 66 percent of the assets. Thirty-four percent of the assets were in the form of other types of nonliquid assets.

In the 10-year period, the very opposite has developed. Thirty-four percent of the assets are in Government bonds and cash, and the remainder is in nonliquid assets.

I am further of the belief that that condition is growing worse. It is my sincere hope that this problem will not only be attended to so far as the revelations that have thus far occurred are concerned, but that the matter will be checked into deeply, to learn whether or not new laws are needed and whether the present supervisory powers that are exercised by the Government are adequate to protect depositors in the banks.

Mr. McCLELLAN. The committee has already found some practices that, in my judgment, might well be termed reprehensible; but these practices, so far as I know now, were confined to the banks that we have been investigating. It may well be that the same situation exists in other banks. However, I believe that the practice that we have so far found is not too widespread; but where such practices exist, they ought to be exposed. If they exist at all, they should not exist.

The committee will pursue the matter. It will take some time. We cannot do this work in a day. We have a formidable task to do when we go into all the ramifications. We can expose a little at a time, and that is what we shall have to do. I thank the distinguished Senator from Ohio.

THE ADMINISTRATION'S 1965 FARM PROPOSALS

Mr. ELLENDER. Mr. President, as chairman of the Committee on Agriculture and Forestry, I introduce for appropriate reference the administration's 1965 farm proposals. I expect soon to introduce proposed legislation of my own covering some of the commodities included in the administration's bill.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The bill will be received and appropriately referred.

The bill (S. 1702) to maintain farm income, to stabilize prices and assure adequate supplies of agriculture commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, introduced by Mr. ELLENDER, by request, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. ELLENDER. Mr. President, I have not as yet had time to study the bill in detail, but from a cursory examination, I find that it contains six titles, which deal with all major farm crops, excepting cotton, peanuts, and tobacco.

Title I would extend the voluntary wheat certificate program for 2 years with a few changes from the present law. One of the most important, it seems to me, is that for the first time in many years an administration has asked that farmers receive the full parity price for that part of wheat production used domestically.

Mr. President, it is stated that our country is the most prosperous in the world. The gross national product in the last quarter of 1964 reached a high of almost \$631 billion. Total national income in 1964 reached a new high of \$510 billion. Business and professional income was at \$39.3 billion, the highest ever; rental income at \$12.4 billion, was also the highest ever; net interest income was at a new high of \$27.8 billion; corporate profits reached \$57.3 billion, the highest ever. But, what happened to farm income? Well at \$12.7 billion, farm income was \$300 million less than in 1963, and \$5.1 billion less than the 1948 high of \$17.8 billion.

Under these circumstances, where there is so much prosperity, and where all incomes are up, except in agriculture, I do not feel that it is asking too much when only parity is asked for wheat-growers on that portion of wheat produced for domestic consumption.

We have minimum wage and other labor laws to help labor, we have tariff laws and special tax laws to help business; therefore, why not special programs to help agriculture?

Title II of the bill would also extend the voluntary feed grain diversion program for 2 years with certain changes. One of the principal changes as I see it, would permit the diverted acreage to be devoted to the production of soybeans, as well as guar and other nonsupported crops that are not in surplus.

Title III contains a 2-year certificate program for rice which has deep implications, and which will require much study so that rice farmers can obtain a fair share of income.

Title IV would extend the Wool Act for 2 years with some minor changes.

Title V provides for a cropland adjustment program under which land would be taken out of production under long-term agreements with producers. That title will require close study, as we have had in the past much experience on a similar program.

And finally title VI provides for transfer by sale, lease, or other means of acreage allotments, base acres, and sugar proportionate shares. This is another title which will require close attention as it represents quite a departure from our current method of handling acreage allotments.

As I said, Mr. President, I have not had time to study the full implications of the provisions of this bill. I am introducing it so that all interested parties can study and appraise the advantages and disadvantages inherent in such legislation. It is my hope that the Senate committee can begin to hold hearings within, say, 3 or 4 weeks. This will give every interested party plenty of time to prepare.

Mr. President, I ask unanimous consent to have printed, following my remarks, an explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

SUMMARY OF PRINCIPAL PROVISIONS OF PROPOSED BILL

TITLE I—WHEAT

Title I would extend the voluntary wheat marketing certificate program for 2 years—1966 and 1967—with certain changes in the program features.

1. Wheat marketing quotas would be suspended during the operation of the voluntary program.

2. Acreage allotments would be continued for purposes of determining eligibility for price support, marketing certificates and diversion payments, but certain changes would be made to simplify the method for determining allotments. Under the new method, State, county and farm allotments will simply be computed on the basis of the preceding year's allotment.

3. The marketing certificate program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The number of certificates received by each farm would be based on the projected farm yield rather than the normal yield.

(b) The bill would authorize the Secretary to provide for distributing the certificates among the producers on the farm on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the wheat crop.

(c) The Secretary would be authorized to adjust the amount of certificates issued with respect to any farm for failure of a producer to comply fully.

(d) "Food products" for which marketing certificates are required to be purchased by processors are redefined to mean those products composed wholly or partly of wheat to be used for human consumption, including beverage, as determined by the Secretary.

(e) The Secretary would be authorized to exempt processors from the requirement to purchase certificates for wheat produced by a State and processed for use by the State, wheat processed for donation and wheat processed for other noncommercial uses.

4. The diversion program for wheat would be extended for two years—1966 and 1967—with the following changes:

(a) The limitation of 50 per centum of the price support rate on diversion payments would be removed.

(b) The limitation on the number of acres of additional voluntary diversion would be raised from 20 per centum of the farm allotment to 50 per centum of the allotment.

(c) The Secretary may permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seed, soybeans and flax, if he determines that such production of the commodity is needed, is

not likely to increase the cost of the price support program, and will not adversely affect farm income.

5. Price support—

(i) for wheat with domestic certificates would be between 65 and 100 per centum of parity. Price support for wheat with export certificates would be at such level, not more than parity, as the Secretary determines;

(ii) for non-certificate wheat would be on the basis of competitive world prices of wheat and the feeding value of wheat in relation to feed grains.

6. Minimum price for sales of wheat from Commodity Credit Corporation stocks would be 105 per centum of loan rate, plus reasonable carrying charges, as under the program in effect for 1964 and 1965.

7. The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

8. After 1967, the existing provisions of law for marketing quotas, marketing certificates, and price support would again become effective.

Title I of the bill would also amend section 377 of the Agricultural Adjustment Act of 1938, as amended, to preserve the acreage allotment for the farm for any commodity in any case in which the acreage planted to the commodity is less than the allotment.

Title I would also change the marketing quota provisions on rice and wheat to provide that in computing marketing penalties, the excess production on which the penalty will be assessed will be determined on the basis of the projected farm yield instead of the normal yield. "Projected farm yield" is defined as the yield per harvested acre of such crop on the farm during each of the 3 calendar years immediately preceding the year in which such crop is produced, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

TITLE II—FEED GRAINS

Title II would extend the feed grain program for 2 years—1966 and 1967—with certain changes in the program features.

1. Price support—

(a) If a feed grain diversion program is in effect, producers would be required, as a condition of eligibility for price support, to participate in the diversion program to the extent prescribed by the Secretary.

(i) Existing law, which would remain in effect, provides that if an acreage diversion program is in effect for feed grains, price support corn shall be at 65 to 90 percent of parity and at comparable levels for grain sorghums, barley, oats, and rye.

(ii) A payment-in-kind, in addition to price supported provided through loans and purchases, would be authorized to be made available to producers participating in the acreage diversion program. In determining the amount or amounts of the payment-in-kind, the Secretary would be authorized to take into account the extent of participation by the producer. The payment-in-kind would be made on such part of the feed grain acreage as the Secretary determines desirable to effectuate the purposes of the program. The Secretary could permit producers to have acreage devoted to soybeans considered as devoted to feed grains for purposes of payments-in-kind. The bill would authorize the Secretary to provide for distributing the payment-in-kind certificates on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the feed grain crop. The Secretary would be authorized to adjust the payments-in-kind for failure to comply fully with the program.

(b) If an acreage diversion program is not in effect, existing law, which would remain in effect, provides that price support for corn shall not be not less than 50 or more than 90 percent of parity as will not re-

sult in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats, and rye.

2. The feed grain acreage diversion program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The limitation on payments of 50 percent of the price support rate would be removed.

(b) The Secretary may permit the diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

(c) The program would be limited to corn, grain sorghums, and, if designated by the Secretary, barley.

(d) The payment limitation of 20 percent of the fair market value with respect to acreage involved in the program would be removed.

(e) The malting barley exemption would be removed.

3. The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

TITLE III—RICE

Title III of the bill would authorize a marketing certificate program for rice for 2 years—1966 and 1967—similar to the marketing certificate program for wheat. Marketing quotas would remain in effect.

1. The Secretary would proclaim a national acreage allotment equal to the number of acres which the Secretary determines will, on the basis of the projected national yield and expected underplantings of farm acreage allotments, produce an amount of rice which, together with the estimated carryover, would be adequate to make available a supply equal to estimated domestic consumption, exports, and an adequate carryover. The minimum national acreage allotment would be one which would produce not less than 60 million hundredweights of rice instead of the 1,652,596 acres specified under existing law.

2. Producers would receive a rice marketing allocation on which marketing certificates would be issued equal to the number of hundredweights obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the rice crop which will be used in the United States during the marketing year except for seed. Provision is made for issuing additional certificates to be financed by Commodity Credit Corporation on the first 1,560 hundredweight of each farmer's production. Thus, small producers would receive relatively the highest returns from marketing certificates.

3. The marketing certificates would have a value per hundredweight equal to the difference between the price support on certificate rice and noncertificate rice.

4. Marketing certificates would be required to cover all rice processed in the United States and all processed rice imported into the United States, but the value of the certificates would be refunded on all processed rice exported from the United States. The Secretary would be authorized to exempt processors from the requirement to purchase certificates from (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof and processed for use by the State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial.

5. Commodity Credit Corporation would be authorized to buy and sell marketing certificates.

6. The Secretary would be authorized to take such action as he determines would be necessary to facilitate the transition from

the program currently in effect to the marketing certificate program.

7. Price support—

(i) for rice with marketing certificates would be between 65 and 100 percent of parity;

(ii) for noncertificate rice would be at such level, not in excess of parity, as the Secretary determines will provide orderly marketing of rice and retain an adequate share of the world market, taking into consideration the price of rice in world markets and other factors.

8. The minimum price for sales of rice from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges.

9. After 1967, the existing provisions of law for acreage allotments, marketing quotas, and price support will again become effective.

Title III would also provide authority to reduce the rice acreage allotment for any farm if the farmowner or landlord evicts or otherwise mistreats a rice tenant or sharecropper on the farm.

TITLE IV—WOOL

Title IV would amend the National Wool Act to extend the period during which price support may be made thereunder beyond its present termination date of March 31, 1966, to December 31, 1967. The bill would further amend that act by deleting the presently stated policy of encouraging domestic production of 300 million pounds of shorn wool, and the requirement that the support level be such as will result in a production of 360 million pounds if such support level would not exceed 90 percent of parity, and providing in lieu thereof a new policy of supporting wool at such level as will encourage domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production. Provision is made for three graduated levels of price support based upon each producer's marketings during the marketing year. Thus, small producers would receive relatively the highest returns from price support.

TITLE V—CROPLAND ADJUSTMENT

Title V would extend the Soil Bank Act to authorize a long-term cropland adjustment program under which the Secretary would be authorized to enter into long-term agreements with producers to assist them in diverting their cropland to vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, or practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, wildlife, and recreational resources, and for the prevention of air and water pollution.

The Secretary would be authorized to enter into contracts with producers during the period 1965 through 1970 to be carried out during the period ending not later than December 31, 1979. The period covered by any contract would be not less than 5 years nor more than 10 years.

Grazing would be prohibited except in the case of severe drought, flood, or other natural disaster.

In return for the producer's diverting his cropland to approved uses, the Secretary would share the cost of establishing such uses and make an annual payment to the producer for the period covered by the contract. Authority would be given to the Secretary to make the annual payments for all years of the contract upon approval of the contract or in installments.

The total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such

county as the Secretary determines would not adversely affect the economy of the county.

For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, the Secretary would be authorized to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.

The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife, and recreational resources and prevent air and water pollution.

Title V would also provide authority under which the Secretary would be authorized to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to acreage which is devoted to vegetative cover and other approved uses.

TITLE VI—TRANSFER OF ALLOTMENTS

Title VI would authorize the Secretary to permit the transfer by sale, lease, or other means of acreage allotments, base acreages, and sugar proportionate shares which have been established under Federal law, including the transfer from one farm owned by a person to another farm owned by him. The Secretary could not authorize the transfer of allotments, base acreages, and proportionate shares unless he determined that the effective operation of the program involved would not be impaired.

No transfer would be permitted outside the State, from a farm subject to a mortgage or other lien unless agreed to by the lienholder, or until a copy of the transfer had been filed with the county committee of the county to which transferred and it was determined by the committee that it complied with the provisions of the statute.

The transfer of an allotment, base acreage, or proportionate share also would include the acreage history and marketing quota attributable thereto.

The Secretary would be required to prescribe regulations governing transfers including provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield, and for putting reasonable limits on the size of the resulting allotments.

If the farm from which the transfer was made was covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment in the contract or agreement would be appropriately adjusted, but no similar adjustment would be made for the farm to which the transfer is made.

Provisions of existing law authorizing leases of tobacco allotments and transfer of producer rice allotments would be repealed.

ACREAGE-POUNDAGE MARKETING QUOTAS FOR TOBACCO

The Senate resumed the consideration of the bill (H.R. 5721) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes.

Mr. ELLENDER. Mr. President, a little more than 28 years ago, I introduced that title of the law which now

covers tobacco. During the entire time the tobacco law has been on the statute books, somehow, in some way, tobacco growers when they wanted to amend the law, got together and agreed to present a united front with respect to any changes to be made.

I point out that since 1956 the acreage in tobacco has decreased from 875,200 acres to 626,000 acres. All of that reduction was agreed to by the tobacco growers. I regret that today there is some difference of opinion among the tobacco growers.

I attended the hearings and was present when all parties testified on the proposal now before the Senate. Except for some of the witnesses from Georgia and Florida and a few others who testified against the bill, the rest of the tobacco growers of the country seem to be in accord.

I believe the record will show that the tobacco growers of Georgia and Florida produce from 10 to 13 percent of the Flue-cured tobacco that we are discussing. The rest of the crop is produced in North Carolina, South Carolina, Virginia, and some in Kentucky.

I gave consideration to the fact that there was testimony in the hearings tending to show that under the law last year the Secretary of Agriculture presented a proposal to the tobacco growers whereby they were further to reduce their acreage by 19.5 percent. That proposal was submitted to the farmers. It carried by over two-thirds of those voting. That concerned me. However, I learned later that a precedent had been established in 1955. The farmers had previously approved marketing quotas for the 1953, 1954, and 1955 crops of burley tobacco. The Secretary established quotas for 1955 which required a 10 percent reduction in allotments. This was not a large enough reduction, and legislation was passed providing for a further 15-percent reduction, if approved by farmers in a referendum. I believe that action constitutes a valid precedent for the present bill. It is up to Congress to make this change if it sees fit. If the present bill is enacted, it would mean that the tobacco growers would be given another opportunity to vote on a proposal which will reflect the new provisions of the pending bill.

There is no doubt that something must and should be done with respect to tobacco. I understand that the administration is in favor of the bill as presented with the possible exception of one amendment offered by the distinguished Senator from Kentucky. But, I do not believe there is much opposition to that amendment.

If the tobacco price support program is to continue, be of value and not hurt the farmers in the future, it seems to me that something must be done to curtail the enormous surplus now in the warehouses.

As my good friend from North Carolina pointed out, because Florida and Georgia markets for tobacco open a little earlier than the tobacco markets in Virginia, South Carolina, North Carolina, and Kentucky, they have an advantage

in being able to sell their crops at an earlier date. I understand that was the reason given by witnesses as to why there is less tobacco placed under loan from Florida and Georgia.

The fact remains that about 88 percent of the tobacco that we are talking about now—a tremendous percentage—is grown in the States of North Carolina, South Carolina, and Virginia in particular. It would seem to me that unless something is done to alleviate this surplus we will be in serious trouble. This bill, if enacted, will correct the problem by putting the production of tobacco on an acreage-poundage basis rather than just acreage. Because of this there will likely be a reduction in production this year.

There is no doubt in my mind that reductions in tobacco acreage have stimulated intensive cultivation and growth of much tobacco that is now not of high quality. As the acreages of the farmers decrease they pour a little more fertilizer on the crop, they plant the tobacco stalks a little closer and the rows a little closer, resulting in more production.

As a result, as I recall, the production of tobacco has increased from about 600 to 800 pounds per acre, when the bill was first put on the statute books, to about 2,200 pounds now. All of that has come about, in my opinion, because the acreage in tobacco has been smaller and smaller. Of course, the farmers tried to grow more and more tobacco on the decreased acreage.

The pending bill, as I understand, contemplates putting tobacco allocations on an acreage-poundage basis, which would mean that a farmer would be allocated so many pounds as a marketing quota. In that way he would probably be able to plant a little larger acreage, and not use so much fertilizer, and perhaps produce a better quality of tobacco that will be readily sold on the market.

Because of the fact that there is such a large quantity of surplus tobacco on hand, it is my belief we ought to give the bill a trial, at any rate. I am hopeful the Senate will look with favor on the bill.

As I have said, the administration is for the bill. In the new farm bill, which I just sent to the desk for reference, tobacco is not included. As I understand, this will be the only bill introduced this year affecting tobacco.

Mr. JORDAN of North Carolina. So far as I know, that is correct.

Mr. ELLENDER. I ask that the bill be enacted.

AMENDMENT OF MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 974) to amend the Manpower Development and Training Act of 1962, as amended, and for other purposes, which was to strike out all after the enacting clause and insert:

That this Act may cited as the "Manpower Act of 1965".

SEC. 2. (a) Section 102(5) of the Manpower Development and Training Act of 1962, as amended (hereinafter referred to as the "Act"), is amended by adding a comma after the word "arrange" and inserting "through grants or contracts," immediately following the comma.

(b) Section 102 of the Act is further amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5) and inserting in lieu of such period "; and", and by adding at the end of such section the following new paragraph:

"(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants and the priority of projects in meeting the objectives of this Act."

SEC. 3. (a) Title I of the Act is amended by renumbering sections 103 and 104 as sections 106 and 107, respectively, and by inserting immediately after section 102 the following new sections:

"JOB DEVELOPMENT PROGRAMS"

"SEC. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

"LABOR MOBILITY DEMONSTRATION PROJECTS"

"SEC. 104. (a) During the period ending June 30, 1967, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

"(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

"(1) there is reasonable assurance of repayment of the loan;

"(2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONER. Mr. Speaker, my colleague from Louisiana, the Honorable SPEEDY O. LONG appeared before the House Committee on the Judiciary on April 1, in opposition to the voting rights proposal. I was present at that meeting of the committee to present my own opposition and I remained to hear my colleague's argument.

It is a sound position, one that has not been explored to the extent that it should and I commend him for presenting this view to the members of that committee.

I know that there is not an opportunity for every Member to attend every committee meeting and many Members did not hear my colleague when he spoke. With unanimous consent, I would like to insert his testimony here in the RECORD for the convenience of all. It is worthy of everyone's consideration and I urge you to study it before we are called upon to vote on this vindictive, ill-advised and unconstitutional proposal.

STATEMENT OF REPRESENTATIVE SPEEDY O. LONG, BEFORE THE HOUSE JUDICIARY SUBCOMMITTEE NO. 5

Mr. Chairman and members of the committee, I am not here this morning to delve into the merits of H.R. 6400, but will address my remarks to whether or not Congress has the authority to enact such legislation. From the outset I wish to make it crystal clear that I do not oppose qualified persons from being ineligible to vote, but that is not the issue. The issue, as I stated before, is simply whether or not Congress has the authority to enact this proposed legislation.

The situation regarding this matter is analogous to that in 1920 when amendment No. 19 of the Constitution of the United States was adopted which prohibited States from denying women the right to vote. I realize the composition of the court and the legislature as well as the executive branch of the U.S. Government has changed since that time, but gentlemen, I submit that the Constitution of the United States has not changed and I firmly believe that Congress must follow the same procedure in this instance that was followed in granting women the right to vote. The 15th amendment to the Constitution is the vehicle which is being used to implement the request for this legislation. The 15th amendment to the Constitution contains but few words. It is a very simple amendment phrased in very simple language, the interpretation of which neither demands nor requires deep and profound thought. The 15th amendment contains only two sections—Section 1 of the 15th amendment prohibits the U.S. Government and any State government of the United States from denying a citizen of the United States the right to vote because of his race, his color, or his previous condition of servitude. The latter condition being of no import today.

Therefore, we address ourselves to the first two conditions—race and color. The authority of Congress to legislate under the 15th amendment is merely remedial and not definitive. Congress may have the authority to provide remedies against discrimination on the basis of race and color, but I submit that Congress is not vested with the authority to prescribe qualifications prerequisite to voting. I submit Congress has provided the appropriate remedy through our judicial system.

Now, Mr. Chairman, we should address ourselves to section 2 of amendment No. 15, since this section evidently is the section which some would have us believe that, gives Congress the authority to enact into law the bill which is under consideration here today. Section 2 of amendment 15 states, and I quote: "The Congress shall have power to enforce this article by appropriate legislation."

To me this section states or merely grants the Congress the authority to enact legislation which would prohibit the United States or a State of these United States from denying a person the right to vote because of his race, his color, or his previous condition of servitude. But by no means, and by no stretch of the imagination whatsoever, can we read into section 2 the authority or power of this Congress to enact legislation which would prescribe uniform voter qualifications throughout these United States, imposing a system of Federal registrars and a penalty upon those charged with administrations of State law, and more specifically, to look back 10 years to ascertain whether there had been discriminatory statutes or laws enacted by a State.

Amendment No. 10 to the Constitution of the United States specifically reserves to the States such power and authority. Amendment No. 10 is very clear, its intent is very clear, its meaning is very clear, its language is very simple. It is couched in simple language so there could be no misinterpretation of its meaning, its intent, and its purpose when it states that "the powers not delegated to the United States by the Constitution not prohibited to it by the States, are reserved to the States respectively or to the people" means just what it says—that the Congress has only the authority which it is granted by the Constitution of the United States, and nowhere, Mr. Chairman, and I repeat, and nowhere in the entire Constitution is the Congress given the authority to prescribe voter qualifications, nor did the respective States divest themselves of this authority, but on the other hand, reserved this same unto themselves.

If it is the desire of this Congress to establish voter qualifications via the Congress, we have one avenue open to us and one avenue only. We have one recourse and one recourse only, and that is by amending the Constitution of the United States.

Again I submit that the same procedure must be followed in this instance that was followed in granting women the right to vote, which as you all know, was by amending the Constitution of the United States.

The Congress, the judiciary, and the executive realized and understood that an amendment to the Constitution of the United States was necessary to insure the right to vote. In 1920, all three branches of our National Government realized that the 10th amendment prohibited Congress to legislate or confer this voting rights upon American women. But furthermore, and foremost, all three branches of our National Government agreed that this right has been reserved to the States in the 10th amendment, and today, Mr. Chairman, the 10th amendment reserves to the States the right to prescribe voter qualifications.

In the final analysis, Congress is being asked to usurp the right and the duty of the States by enacting a Federal voting rights law. It is another example of how the Federal Government has seized upon the historical, traditional and reserved rights of the States. It further indicates attempted removal of the Government from the people who created it.

Legislation such as the Federal voting rights bill brings us closer to a Federal police state. Support of this bill would be to tell your State legislature that it cannot pass a

law of any kind with respect to voter qualifications.

OUR FOREIGN SERVICE OFFICERS

(Mr. ROONEY of Pennsylvania (at the request of Mr. FARNUM) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROONEY of Pennsylvania. Mr. Speaker, it was my great pleasure last Thursday afternoon to attend the swearing-in ceremony for 28 new foreign service officers at the Department of State.

Along with many of my colleagues, I have, on occasion, felt inclined to be critical of some of the actions of our State Department. Being the instrumentality of human beings it is, consequently, subject to human error. We lose sight of that, sometimes, and we often expect from a diplomat a degree of infallibility we would not attempt to exact from a lesser mortal.

I want you to know, however, that I was deeply impressed by last week's ceremony. Aside from the excellent atmosphere of the occasion, for which Mr. Herbert E. Leggett served as host officer and Mr. Joseph Palmer, Director General of Foreign Service, was the main speaker, the occasion afforded an inspiring glimpse of a kind of devotion and dedication often found but seldom noted in the ranks of the Department's personnel.

As I looked at these young people embarking upon a career in their chosen field of Government, I could not escape a feeling of intense respect and admiration.

These were men who could, very likely, have chosen to enter private enterprise at much more comfortable salaries in far more comfortable surroundings.

They chose, instead, to answer a call to duty, to serve their country and its people in the way they felt they would be best qualified.

The ceremony was all the more impressive because of its timing.

Less than a week before, the newspapers of the world were crowded with the shocking news of the bombing of our Embassy in Saigon.

Who could possibly forget the photographs of women lying dead in the streets before that Embassy? Who could erase from his mind's eye the violent destruction brought down upon well-meaning Americans whose sole concern in southeast Asia is, as it has always been, the preservation of the small hope freedom has.

Yet these young men have decided that the Foreign Service can offer them, and their country, the kind of dedicated, unselfish representation abroad which, in the last analysis, may mean the difference between global peace and universal conflict.

I want to take this opportunity to commend the staff of the Foreign Service Institute and the many unsung, quietly heroic individuals who attend to the painstaking, seldom glamorous or rewarding task of diplomacy.

A BILL TO REPEAL THE EXCISE TAX ON COMMUNICATIONS

(Mr. McVICKER (at the request of Mr. FARNUM) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McVICKER. Mr. Speaker, today I am introducing a bill to amend the Internal Revenue Code to repeal the excise tax on communications.

The time for repealing this tax is long overdue, since this tax was initially a wartime measure intended to discourage use of the telephone. Yet today this tax survives along with numerous luxury excise taxes. Telephone service is not a luxury—it is a business and household necessity. It should be regarded on an equal basis with other utilities such as electricity, gas, and water—all of which enjoy exemption from the excise tax.

For many people, telephone service is the only means of contact with law enforcement officials, with the fire department, doctors, and hospitals. Yet the excise tax on telephone service is a discriminatory measure, since it is levied on all income groups equally, and it places the heaviest burden on the lower-paid groups. I urge my colleagues to enact legislation containing the measures provided for in my bill.

AGRICULTURAL LEGISLATION

(Mr. PURCELL (at the request of Mr. FARNUM) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PURCELL. Mr. Speaker, I want to commend President Johnson and Secretary of Agriculture Freeman for the proposed farm legislation which was presented to the Congress today. Title I of this legislation would extend the voluntary certificate program for wheat which was enacted by the Congress last year. This step, accompanied by the proposed increase in certificates to provide for 100 percent of parity on wheat consumed domestically, will move us a long way toward providing for our wheat farmers a fair share in the economic abundance of our Nation.

The voluntary certificate program for wheat has been very favorably accepted by the farmers. It has accomplished the goals which were intended. The cost of the program has been reduced. Our surplus stocks of wheat have been reduced. The income of wheat farmers has been maintained at a fair level. Food costs are low. And our market prices are competitive with world prices.

Mr. Speaker, a price for wheat of about \$2.50 per bushel for that amount of wheat which is consumed as food in this country is only fair and just. This is 100 percent of parity, and it is the price which will allow the wheat producer to receive a fair return for his labor and investment.

For too long the wheat producer has been subsidizing the American consumer. In the past 20 years, he has not received an increase in price for the wheat required to make a loaf of bread. In the

meantime, the price of that loaf of bread has increased considerably, the income of the consumer has increased considerably, and the farmer remains the only link in this food chain who has not benefited from the economic growth of our Nation.

What we too often forget is that the farmer's skill and ingenuity is, to a great degree, responsible for the economic expansion which our Nation has experienced. He has provided us with food in abundance for a smaller part of our consumer dollar than is the case in any other major nation in the world. Today we spend only about 19 cents of our consumer dollar for food. The Soviet citizens spend about half of his dollar for food, and in Europe the percentages are considerably higher than in the United States.

The proposal presented to us today, to provide the wheat farmer with 100 percent of parity, would justify only a 1-cent per loaf increase in the cost of bread. It would cost the consumer about \$1.35 per year per capita. This is a small price to pay to protect the economic health of the most vital of our basic industries.

An increase in farmer income from wheat is vital to our rural areas and essential for our Nation's continued economic growth. If we are going to continue to enjoy the fruits of abundance of American agriculture, we are going to have to pay an American price for the wheat we eat. We can no longer afford to shortchange our efficient farm producers in our market places, and we can no longer expect the wheat growers to be able to afford to subsidize consumers to the extent they have in the past.

Mr. Speaker, I urge the Congress to get right to work on this agricultural legislation proposed by the administration today.

And, once again, I want to offer, on behalf of the American farmer, thanks and appreciation to the administration for the proposals they have sent to us today.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GLENN ANDREWS (at the request of Mr. GERALD R. FORD), indefinitely, on account of official business with the House Committee on Education and Labor.

Mr. DYAL (at the request of Mr. ALBERT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RYAN, for 15 minutes, today; and to revise and extend his remarks.

Mr. FEIGHAN, for 15 minutes, today; to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. REID of New York) to revise and extend their remarks and to include extraneous matter:)

Mr. DICKINSON, for 60 minutes, on April 9; and for 60 minutes, on April 12.

Mr. BUCHANAN, for 60 minutes, on April 8.

Mr. McDOWELL (at the request of Mr. FARNUM), for 10 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. ROSENTHAL (at the request of Mr. FARNUM), for 60 minutes on Wednesday, April 7; and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. MARTIN of Massachusetts and to include a statement.

Mr. RYAN and to include extraneous matter.

Mr. GEORGE W. ANDREWS and to include extraneous matter.

Mr. GROSS and to include a newspaper article.

Mr. MADDEN (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. PATMAN (at the request of Mr. STEED) during general debate on the bill H.R. 7060.

Mr. HALL his remarks in Committee of the Whole on H.R. 7060, and to include extraneous matter.

Mr. CONTE his remarks in Committee of the Whole, and to include extraneous matter and tables.

Mr. SICKLES (at the request of Mr. FARNUM) to extend his remarks in the Appendix of today's RECORD and that they be printed in the body of the permanent RECORD of March 26, during the consideration of the bill H.R. 2362.

Mr. COHELAN (at the request of Mr. FARNUM) to extend his remarks in the body of the RECORD immediately after the passage of H.R. 7064.

(The following Members (at the request of Mr. REID of New York) and to include extraneous matter:)

Mr. FINDLEY.

Mr. LAIRD in two instances.

Mrs. BOLTON.

Mr. MORSE in three instances.

Mr. MARTIN of Alabama in three instances.

Mr. CEDERBERG.

Mr. UTT in two instances.

Mr. YOUNGER.

Mr. MOORE in three instances.

Mr. TALCOTT in three instances.

Mr. BERRY.

Mr. DON H. CLAUSEN.

Mr. MACGREGOR.

Mr. SKUBITZ.

Mr. GUBSER.

(The following Members (at the request of Mr. FARNUM) and to include extraneous matter:)

Mr. MILLER in five instances.

Mr. COHELAN in two instances.

Mr. MULTER in three instances.

Mr. ROONEY of New York.

Mrs. GRIFFITHS.

Mr. GATHINGS.

Mr. SCOTT.

Mr. FLOOD.

COMMUNIST PROPAGANDA TECHNIQUES

(Mr. HERLONG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERLONG. Mr. Speaker, on last Wednesday, the House of Representatives was treated to one of the most remarkable discussions of the devious methods of Communist propaganda techniques that it has been my experience to hear. Surprisingly enough, this erudite and thought-provoking speech was made by a freshman Congressman, Representative JED JOHNSON, JR., of Oklahoma.

All I can say is that he has shown the way to a lot of us who have been here a lot longer. I predict a great future for him and I know his district is fortunate to have a man not only of his youth, who will be able to serve them for a long time, but one who is wise far beyond his years. I wish that it were possible for every college student throughout the United States to read his remarks and to heed his admonitions about getting involved in such things as the World Festival of Youth and Students for Solidarity, Peace, and Friendship.

Typically, this sinister, albeit subtle plan of the Communists to poison the thinking of the youth of the world bears a title that expresses intentions no one can disagree with, but behind this front, Congressman JOHNSON calls to our attention, is the continued drive of the Communists to spread their philosophy and their control throughout the world.

Doubtless, some of our youth, sincere but misguided, will participate in this festival but at least they have had an opportunity by reason of Mr. JOHNSON'S exposure of their method of operation, to go into such a meeting with their eyes open and knowing that they are only there for the purpose of being used—and used against the interests of America and the free world.

Congressman JOHNSON has, in his maiden speech to the House of Representatives, made a most constructive contribution to the Congress and to this Nation. I express my personal appreciation to him and salute him.

TACTICS IN VIETNAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the Secretary of Defense, Mr. McNamara, has been telling us all along that his computers and robots in the Department of Defense are giving us the best fighting machine we have had in the history of the country at the least cost. One never knows how good all these prognostications and statistics are until put to the test and I must say that after reading the morning news dispatches with respect to some of our latest bombing forays in North Vietnam that we have been caught short.

I hope that it is merely a matter of tactics and not the kind of equipment and caliber of the weapons being employed. At any rate, it is still pretty hard to understand why a mission of 40 of our first-rate attack bombers cannot

knock out a suspension bridge, and from all the news releases read this morning, one of the targets was a suspension bridge which was declared still usable after the attack.

What kind of bombs or explosives are we using? Apparently they're nonlethal just as the gas was a few weeks ago.

Maybe as a former infantryman I am somewhat prejudiced, but I am sure the dropping of a two-man demolition squad could be just as effective in this kind of operation as a sortie of some 40 of our first-line fighter bombers.

Come on, Mr. McNamara, let us show them what we can really do.

THE PRINTING INDUSTRY

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to revise and extend my remarks to point out that the Federal Government is seriously infringing upon one of America's greatest industries, the printing industry.

Actually the printing industry is so closely allied to all other activities that Americans engage in—be they industrial, mechanical, artistic, cultural, or whatever—it is hard to imagine where our country would be without it. Indeed, on a broader scale, printing is so essential to so many facets of life throughout the world that we could not exist without it. And yet, the Federal Government is constantly increasing its competition with that great industry.

As an indication of the growth of the printing industry there were in 1939 24,878 separate plants. In 1947, there were 28,986, and in 1958, there were 35,350. The industry pays an average

hourly wage of \$2.85 which is 46 cents an hour above the average for all other manufacturing. It has a total payroll of \$5,412,955,000, and the value added to production by such industry is \$9,995,964,000.

The printing industry is 3d in the number of establishments, 4th in average hourly earnings, 7th in total dollar payroll, 8th in value added by manufacturing, 8th in number of employees and 11th in dollars reinvested in capital expenditures.

Despite its high ranking among manufacturing industries, printing is still primarily a craft industry composed of thousands of small establishments giving employment to skilled workers all over the United States. To illustrate: About 90 percent—nearly 32,000 plants—have fewer than 100 employees. About three-quarters of the U.S. plants have fewer than 50 employees. About half have fewer than 20 employees, and about one-quarter of the plants in the United States have fewer than 10 employees.

Despite all of these facts and despite the fact that Government has no business competing with an industry of this size and proportion which could do all of Government's printing on a contractual basis, a report by the Bureau of the Budget before the Subcommittee on Fiscal Policy dated November 27, 1957, showed that there are 68 printing and publishing units in operation by the Federal Government. The report also showed that there 16 units owned by the Government, but contractor operated.

These printing operations have a total capital outlay of \$3,939,678 and employ 1,042 people of whom 978 are civilians.

The information in detail, assembled by Miss McBrien of the Legislative Reference Service, reveals the following agencies are involved in printing and publishing operations:

	Number of instal- lations	Capital assets	Employees	
			Civilian	Other
I. GOVERNMENT OPERATED				
Book printing: National Advisory Committee for Aeronautics	3	\$309,000	54	
Miscellaneous publishing:				
Department of Agriculture: Forest Service	1	10,000	30	
Department of Commerce: Coast and Geodetic Survey	1	85,283	18	
Commercial printing:				
Department of Defense: Corps of Engineers	23	292,000	70	
Department of Health, Education, and Welfare: Public Health Service	1	34,959	17	
Department of the Interior:				
Bureau of Indian Affairs	5	310,200	14	
Bureau of Mines	1	7,090	1	
Department of Justice: Prison Industries	3	343,100	9	64
Post Office Department: Operations	8	29,000	16	
General Services Administration	1	41,327	27	
Atomic Energy Commission	1	154,000	59	
Federal Civil Defense Administration	1	10,286	6	
Federal Deposit Insurance Corporation	1	21,212	7	
Federal Trade Commission	1	53,395	6	
Lithographing:				
Department of Agriculture: Soil Conservation Service	7	179,000	31	
Department of Commerce:				
Publications	2	193,026	68	
Coast and Geodetic	3	561,005	113	
Weather Bureau	1	119,027	27	
Department of the Interior: Reclamation	2	47,671	21	
Typesetting:				
Department of Commerce: Coast and Geodetic Survey	1	61,947	17	
Photoengraving:				
Department of Commerce: Coast and Geodetic Survey	1	13,089	76	
Total, printing, publishing and allied industries	68	2,875,678	687	64
II: GOVERNMENT OWNED-CONTRACTOR OPERATED				
Commercial printing: Atomic Energy Commission	16	1,064,000	291	
Grant total, all printing, publishing, etc	84	3,939,678	978	64

AN ELOQUENT NEWSPAPERMAN— C. W. (BILL) DRESSLER

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. SAYLOR. Mr. Speaker, last week marked the retirement of one of the Nation's outstanding editorial writers. C. W. (Bill) Dressler, whose newspaper career began in Pittsburgh in 1920, retired April 1, as associate editor and chief editorial writer of the Johnstown, Pa., Tribune-Democrat.

A keen observer of world, National, State, and local events, Mr. Dressler wrote brilliantly on any and every subject. His dedication to better government was a hallmark of his essays, and his works were quoted widely in and out of the State of Pennsylvania. Many of the editorials which I inserted in the CONGRESSIONAL RECORD for the enlightenment of my colleagues were products of the Dressler typewriter.

A man of great knowledge, clarity of expression, and unquestioned integrity is in position to contribute generously in the public interest when he shares his thoughts through the medium of newspaper columns and editorials. Mr. Dressler fulfilled this responsibility purposefully and unselfishly to the continuing benefit of community, State, and country. His service will always be appreciated, and his works will be remembered and cherished long after he is gone and we are gone.

In retirement, Mr. Dressler can look back to his many accomplishments in an illustrious career with deep satisfaction. And those of us who read, enjoyed, and were inspired by his writings will always have a special sense of gratitude that he chose our area as his base of operations.

FARM LEGISLATION PROPOSED BY THE ADMINISTRATION

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, the long-awaited administration farm bill has arrived. I had a look at the language this morning.

The bill would give the Secretary of Agriculture a tremendous range of new authority over American farmers. The Secretary could easily get soybeans into the same purplis trouble which has beset corn, wheat, and other major crops for years.

The Secretary could make incentives for soybean planting so attractive that production would zoom, prizes would drop sharply, and soybeans would soon be overflowing in Government bins.

Under the new administration proposal, farmers could substitute soybeans for feed grains and still get the price support payment-in-kind now authorized under the feed grains program. This year this bonus payment amounts to 20 cents a bushel.

Thus, the Secretary could allow a farmer to plant his feed grains base to soybeans, get the full market price for

soybeans and still collect 20 cents a bushel bonus for the corn he could have—but did not—grow on those acres.

The Secretary could also permit soybean planting on acres diverted under the feed grains program and still make substantial diversion payments.

These two features would be powerful lures the Secretary could use to bring millions of additional acres into soybean production.

Up to now, soybeans have been the wonder crop, making money for farmers and winning expanding markets without cost to taxpayers. In my opinion, this legislation is intended to get soybeans into Government bins so bureaucrats can manipulate prices and supplies, and use the commodity more freely in our fast-growing worldwide feeding program.

For the first time in history, the right to grow corn could be bought and sold just like corn itself. The right to grow would be a valuable franchise granted by the Federal Government and therefore controlled by the Federal Government.

The right to grow corn could be separated completely from the land.

To me, this is one of the most dangerous and unwise feed grains proposals ever presented to Congress.

SOIL, SPACE, AND THE SOVIETS

(Mr. DERWINSKI (at the request of Mr. REID of New York) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DERWINSKI. Mr. Speaker, with news media concentrating on rapid developments in Vietnam and debate in the Congress centering on that area, the much broader, long-term questions of administration policy or lack of it in relationship to worldwide problems of communism has been largely ignored.

Last Tuesday, March 30, the Washington Star carried a practical commentary on the agricultural defects within the Soviet Union, which I include as part of my remarks:

SOIL, SPACE, AND THE SOVIETS

The Soviet Union unquestionably is a formidable military power endowed with great scientific and technological capabilities, as repeatedly demonstrated in such fields as space. In terms of its civilian economy, however, in terms of its agricultural production and its output of consumer goods, it still is a woefully backward land by Western standards.

This is what accounts for the country's many economic reorganizations, the number of which is almost beyond count. The latest has been announced over the weekend, with characteristic obscurity, by Tass, the official news agency. According to the announcement, the Central Committee of the Soviet Communist Party has staged a 3-day plenary meeting resulting in a big bureaucratic shakeup at the highest levels. The result? More than a few of Nikita Khrushchev's old friends and sycophants have been either demoted or cast into the outer ideological darkness.

Still, the more things change in Russia, the more they seem the same. As reported by Tass, Leonid Brezhnev, Khrushchev's successor as party boss, has addressed the Central Committee in language not much different from Nikita's. He wants the light factories and consumer-goods industries to do

a better job than the miserable one they're now doing. Above all, because it is more important for the Soviet people than the output of TV sets, electric toasters or motor scooters, he has put special emphasis on the "urgent tasks" involved in the effort to increase the output of grains, meat and other agricultural products.

Indeed, to that end, Brezhnev has proposed—with the approval of the Central Committee—that the Soviet Union invest over \$78 billion in the next 5 years to put an end to its crisis in agriculture. In urging that this be done, he has reminded his countrymen—whose population is increasing at a rapid rate—that farm output in the U.S.S.R. has increased only 10 percent over the last 6 years, whereas it was supposed to have increased 70 percent. Khrushchev, of course, is now being blamed for having failed to reach this goal, but the fault is the system's rather than his.

This is what explains why Brezhnev, even with greater vigor than Khrushchev, has called for "wider use of economic and moral incentives" to encourage individual initiative on collective and state farms. Without that, the Soviet agricultural situation may drift not only from bad to worse, but to catastrophe. How strange that a nation so great in space is so weak on its own soil.

Mr. Speaker, the Soviet failure in agriculture dramatizes the thorough weakness of the Communist system. When we note that Red China and Eastern European satellite countries have encountered similar agricultural defects, the Communist weakness is irrefutable.

Mr. Speaker, the present administration policy of subsidizing Communist governments under the label of coexistence is shortsighted and extremely naive.

Last weekend a conference was held in Chicago on the subject of "Western Policy and Eastern Europe." This conference received considerable attention from the Chicago metropolitan press. I include at this point an editorial which appeared in the Chicago Tribune, Thursday, April 1, emphasizing a need for reality in dealing with Communists:

REALITY VERSUS THE SOFT LINE ON COMMUNISM

An international conference on "Western Policy and Eastern Europe," which brought about 100 American and European foreign policy specialists to Chicago over the weekend, was remarkable for its measure of agreement and realism concerning the Communist challenge and our response to it. As noted with satisfaction by Eliseo Vivas, professor of philosophy at Northwestern and Duke Universities, the hardliners greatly outnumbered the softliners.

The Europeans, among them German, Polish, and Czechoslovak professors now teaching in American universities, were especially scornful of the soft line. According to this line, now advocated obsessively in most academic and some governmental circles, communism is going through a process of democratic evolution, not only in the satellite countries but in the Soviet Union itself, and we should stimulate this development by expanding cultural exchanges and offering economic aid.

We are told that nationalism is dying out and being replaced by a new spirit of brotherhood that transcends both national boundaries and ideological differences. Thus Prof. Robert F. Byrnes, of Indiana University, speaking at the Chicago conference, advocated more cultural exchange to promote a "new concept" of Europe that would tie it into an Atlantic community extending from San Francisco to Vladivostok. Prof. Wladyslaw Kulski, of Duke University, said such

to achieve this objective. In this respect no African leader has striven harder and longer than President Tubman of Liberia. Soon after Africa began to win freedom and sovereignty President Tubman issued a call to all African leaders, promulgating certain basic principles for the achievement of unity and cooperation. In many ways differing from the catch-all phrases and glib political slogans these principles came to represent in the hard light of reality and experience the course which prudence and wisdom confirmed.

Beginning from the premise that success is more quickly achieved in those areas where agreement is easier to come by and the immediate needs are greatest, Liberia has never tired of impressing her sister States in Africa with the best methods for working out relations among them. Its reward was achieved at Addis Ababa, Ethiopia, in 1963 when the Charter for the Organization of African Unity was adopted, embodying the principles which had first been put forward by Liberia in an Extraordinary Gazette in 1959, then again at the Saniouille summit conference later in July of that year between Ghana, Guinea, and Liberia and, a third time at the first Conference of Independent African States at Monrovia in 1961.

Let me say here that it has been a strange phenomenon that our friends in this country should have been slow in appreciating President Tubman's contribution in this critical area of African progress, although the record has been so impressive. Fortunately, the reaction among African leaders has not been so reserved.

Shortly after these momentous developments in 1959, here is what the magazine *Africa Report* in its August 1959 issue had to say in assessing President Tubman's role and the part played by Liberia:

"Member States of the African bloc rallied behind Algerian nationalists this month in a special 5-day meeting at Monrovia, Liberia.

"The officially sponsored Monrovia conference was the latest in a series of history-making political and diplomatic meetings held by Africans on African soil, all designed broadly to foster African unity."

Tracing some of the steps along the path of unity, this reporter concluded:

"This month, with nine national flags flying over the Monrovia capital alongside the banner of the rebel Algerian government, Tubman's poised entry into the pan-African scene was complete."

That is why throughout Africa today, President Tubman is so widely acclaimed, a typical example being these words of welcome addressed to him by the President of Gabon when he visited that State:

"We are proud to welcome you as head of a country whose democratic institutions and steps toward economic and social progress constitute an example for us and for many others."

Nor should it be forgotten that the African Development Bank with headquarters at Abijan, the Ivory Coast, of which all African independent States are members, was first conceived in Monrovia and vigorously promoted into reality by Liberia.

Or consider his posture on the issue of war and peace. He was one of the first to call on world leaders to commit themselves as a matter of principle to a no-war pledge.

Also, fast gaining acceptance are Liberia's recommendations regarding the settlement of boundary disputes and mediation and conciliation among states.

What objective person would not stand in admiration at such a broad and constructive approach to crucial world and African problems?

But these contributions would have been unlikely had not the policies and commitments of Liberia as a Nation been guided by the best traditions of a free society.

So let me ask you to dismiss at once the myths you have read about Liberia. To understand Liberia and appreciate her value, as with most situations, she must be placed in the correct perspective in the struggle of man, the black man, for freedom, human dignity, and equality. These myths I should mention were part and parcel of that struggle and those times. Let Liberia be judged only by her record.

In economic and social development Liberia is emphasizing the free initiative of man, and no Liberian has done more in bringing that into full realization than President Tubman. On assuming office in 1944, he enunciated the open-door policy whereby foreign capital and skill would be invited to help develop the natural resources of the country. The response has been good especially among business people in this country. Let them continue to look to Liberia as a fruitful field for their investment. It has been profitable for them and us and we intend to keep it that way.

Where a few years ago, there were some doubts about the viability of the country, a modern society is now making an historic impact. Rubber, once the main export of the country, has yielded first place to iron ore, which is said to have the richest ferrous content to be found anywhere in the world.

Our economy is being diversified and our people now look to the future with increased confidence.

Let me turn to the words of President Senghor of Senegal for a present-day description of Liberia, given in the preface of a recent book by Lawrence Marinelli, entitled "The New Liberia," and published by Praeger. I commend this well-written study to those of you who may wish to know more about my country. Senghor said:

"To appraise President Tubman's grand design we must recall what Liberia was when he was first inaugurated in January 1944. * * * The situation of Liberia was that of a particularly underdeveloped African country. It had not been colonized by a great power, but by philanthropic endeavors with more good will than technical or financial means. The moral devastations that came with the breakup of traditional societies were the most terrible * * * but there is happily a positive aspect: the economic infrastructure, industrial cultures, schools, hospitals, and, above all, the modern spirit. * * * From these positive assets Liberia had scarcely benefited before 1949 * * * after all what could several thousand impoverished Americo-Liberians do? Very little—unless there appeared among them a great politician with a grand design offering them reasons for living, and, above all, for action, William Tubman was going to revolutionize Liberia and give it not only a modern ideal but modern means to achieve it.

"The most positive result of these activities is—I have witnessed it myself—there are no longer Americo-Liberians or natives. There is a Liberian nation to which all its citizens are proud to belong.

"William Tubman * * * open door is not the transposition pure and simple of liberal capitalism. * * * The development of resources on a cooperative basis presupposes concerted and flexible planning. * * * Today one can measure the positive results of this policy of economic expansion.

"Thus do we view William Tubman. Leader of his people, founder of the Liberian nation and creator of its modern economy he has done more alone than all his predecessors did together. We do not smile at Liberia the way we did before 1944. Today Tubman is among the African heads of state who are most listened to, most respected."

I hope these words of a world-known African statesman, poet, and writer, will

help to lay to rest for all times the myths about Liberia.

Finally, let me say how much Liberia takes pride in her friendship and cooperation with the United States. But like most things if friendship is to remain fruitful and mutually beneficial, one must never become too complacent about it. A friendship that is allowed to turn stale is soon lost; a friendship that fails to find new sources of pleasure and enrichment will not last. There are so many things in so many areas in which Liberians and Americans can cooperate effectively to strengthen their democracies and make our world happy for all peoples. There is a rotary club in Monrovia. How splendid it will be if you will begin as of now to search out with that club some of the avenues along which our two peoples can explore the possibilities of making our friendship more responsive to the needs and aspirations which we share.

Ambassador Stevenson To Receive Eleanor Roosevelt Political and Public Service Memorial Award

EXTENSION OF REMARKS OF

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 5, 1965

Mr. SCHEUER. Mr. Speaker, Adlai E. Stevenson, our distinguished Ambassador to the United States, has been selected to receive the Eleanor Roosevelt Political and Public Service Memorial Award for 1965. The Ambassador has received many well-deserved honors during his years of outstanding public service. This particular honor, though, carries with it a special significance. It is given annually in memory of Eleanor Roosevelt to that person who best exemplifies her spirit.

The Eleanor Roosevelt Political and Public Service Memorial Award was conceived by a group of her friends as a fitting and lasting memorial shortly after her death in 1962. They formed an independent award committee consisting of the following distinguished citizens: John J. B. Shea, Francis W. H. Adams, Richard A. Brown, Eugene Callender, Stephen R. Currier, Irving M. Engel, Arnold L. Fein, Abraham Feinberg, Thomas K. Finletter, Eleanor Clark French, Lloyd K. Garrison, Mrs. Louis A. Gimbel, Jr., Milton A. Gordon, Mrs. Dorothy Hishon, Thomas R. Jones, Mrs. Robert Kintner, Arthur B. Krim, Orin Lehman, Mrs. Dorothy Norman, Frederick W. Richmond, Curtis Roosevelt, WILLIAM F. RYAN, Dore Schary, JAMES H. SCHEUER, Henry D. Sedgwick, R. Peter Straus, Telford Taylor, Robert Wechsler. In 1963, the award committee made its first presentation to Lloyd K. Garrison, and in 1964 selected Anna Rosenberg Hoffman as the award recipient.

This year, the award committee unanimously chose Adlai Stevenson to receive the Eleanor Roosevelt Political and Public Service Memorial Award. The following essay, written by Dore Schary, beautifully expresses the intent of the committee in choosing an annual recipient for this unique award.

MRS. R.: POLITICIAN

All of us who loved Eleanor Roosevelt have spoken and written at length about her devotion to causes of good and welfare. Her labors on behalf of the conquering of diseases; her fight for better educational opportunity; her steadfastness in the field of civil liberties; her intolerance toward inadequate housing; bigotry; industrial discrimination and her allegiance to the humanities are documented for all to see.

Too little is said of her tough capabilities as a politician. In this area she was always surprising the opposition who were constantly misinterpreting her massive benevolence as a sign of political naivete or ignorance.

Her performance as a delegate to the United Nations and her contribution to the bill of human rights proved her competence in international politics. Her willingness to defy the less astute members of her own party is on the record. She has opposed private interests or Presidents if need be, if principle was being sacrificed for expediency.

She was unrelenting in pursuing principle, and in world affairs or national problems of State and city politics, she was willing to pick up the lance and give battle. There are a number of unhorsed opponents who bear witness to her skill and tenacity as a combatant in the political tournaments.

Eleanor Roosevelt's favorite political theme was the responsibility of each citizen to participate in the affairs of his government at local, State, and National levels. It was her contention that our elected officials reflected the interest and devotion of the electorate; that, in effect, we got what we deserved or earned.

It is a credo that all members of every reform movement should repeat each day as a remainder of their basic obligation.

There was with the sweet smile and the soft voice of Mrs. Roosevelt an iron will and steely convictions that not only benefited the Democratic Party but could remain a shining inheritance to all of us who occasionally forget that principle must be pursued without considering the consequence.

The hand-illuminated parchment plaque being presented to Ambassador Stevenson contains the last photograph taken of Mrs. Roosevelt in her lifetime and reads:

Adlai E. Stevenson, whose devotion to and efforts for the cause of good government splendidly reflect those ideals and principles which dominated the mind and heart of Eleanor Roosevelt.

The award will be presented to the Ambassador at a dinner on April 12 at the Hotel Pierre in New York, sponsored by the New York Committee for Democratic Voters, the citywide reform Democratic movement, Mrs. Roosevelt's major political interest in the last years of her life.

Voting Rights Act of 1965 Is Bad Legislation

EXTENSION OF REMARKS OF

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 5, 1965

Mr. GATHINGS. Mr. Speaker, eligible Americans should have the right to vote, but it should not be done at the expense

of tearing down the structure of State government. There are three provisions of the Constitution that affect the matter of voting. The first is article I, section 2, which reads as follows:

The House of Representatives shall be composed of Members chosen every second Year by the People of the several States * * * and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

The next one is amendment 15, which has this to say:

SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Subsequently amendment 17 was placed in the Constitution which has to do with the direct election of Senators and says this:

The Senate of the United States shall be composed of two Senators from each State, elected by the people thereof, for six years; and each Senator shall have one vote. The electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislatures.

The two constitutional provisions, one of which was amendment 17, which came after the adoption of amendment 15, lodged the authority in the States to set qualifications with respect to voting. Hysteria, propaganda, and hasty appeals for action do not change the effectiveness of the State authority with respect to voting unless the qualifications set out by the State would discriminate against segments of the population or are themselves unreasonable. Then such State provisions would be subject to being reviewed as to their constitutionality.

I cannot agree with the doctrine enunciated by President Lyndon B. Johnson in his recent message to a joint session of Congress which was based on amendment 15 and this alone.

The Congress is working under a high top priority rating on what is known as the Voting Rights Act of 1965. The bill brings under Federal jurisdiction for the first time State and county elections. As it is worded, it applies to six States which are: Georgia, Alabama, Louisiana, Mississippi, South Carolina, and Virginia. These States are covered because less than 50 percent of their people who are 21 years of age or over cast a vote in 1964, which was set up as a guideline in the legislation. The effect of the bill would be to deny those six States the right to invoke literacy tests such as knowledge, intelligence, education, or morality on any of the citizens of such States who may wish to vote. The result of directing legislation at six States and six States only is quite unusual and highly discriminatory in that a person can vote in those States even though he cannot read and write, whereas in New York State and many others in the Nation, he will be deprived of the right of franchise.

It is reasonable and most desirable that a voting citizen should have at least a little bit of sense and a person who has not been convicted of a felony. There are two main considerations when you speak of providing rights of all of our citizens

to vote. They should be given the right to vote, yes, under reasonable standards, but such a system should adhere to the law of the land—the Constitution of the United States.

This bill which is now being studied in both Houses of Congress would lodge discretionary power in the U.S. Attorney General to step in and by the use of his appointment of voter registrars deprive the local citizens of the right to qualify voters within those six States. There can be little doubt that such authority in the Attorney General to supervise the registration of voting in this manner is not only irregular but runs counter to the expressed provisions of the Constitution which gives the States the full and complete authority to set reasonable voter qualifications.

This bill will be approved by a fairly good majority in both the House and the Senate it appears without doubt. When this happens it would ride herd over the privileges that States have always enjoyed in this country. That is bad—very bad legislation.

The Farm Bill

EXTENSION OF REMARKS OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 5, 1965

Mr. COOLEY. Mr. Speaker, agriculture is the Nation's greatest industry. It is the most important industry to the well-being of our people. The President sent to the Congress today proposals for legislation of great significance and meaning to our farm people and to the Nation. I have introduced this legislation as H.R. 7097 and, because of the broad interest, I am placing in the RECORD a statement I made to the press on this bill.

The statement follows:

THE FARM BILL

I have today introduced the administration's omnibus farm bill, and our Committee on Agriculture will consider the proposed legislation carefully, thoroughly, and expeditiously.

The administration is to be commended for the great amount of work it has done in an effort to develop policies and to improve programs with the overall objective of stabilizing farm income, revitalizing rural America, assuring abundant food and fiber for consumers, and bolstering the national economy.

However, I am certain the legislation contains many controversial provisions, and I regret that the administration is so late in presenting its farm recommendations to the Congress.

Moreover, I had hoped that the administration would by this time have submitted recommendations concerning cotton and the problems which will face our textile industry if the one-price cotton program is not continued. I have been assured that we will receive recommendations from the administration at an early date.

Our committee will do everything in its power to make up the lost time, to compose all differences, improve and refine the legislation wherever possible, and to bring about

the enactment of a bill that will be fair to our farmers and to all Americans.

The President through this new farm bill proposes, among other program changes, to place greater reliance on the market price for wheat and rice. For years, the American farmer as a result of his greater efficiency has not received a fair price for his products. Prices farmers receive are substantially below such farm prices 15 years ago.

Actually, a very good case can be made on the proposition that farmers now are subsidizing the consumers of the Nation by billions of dollars a year, because their income from their investment, management, and labor is much smaller and therefore they must accept lower standards of living than their customers who are engaged in the undertakings of other segments of the economy.

The bill submitted by the President attempts to deal with this inequity. As I understand it, by getting more of the farmers' income from the marketplaces rather than from subsidy at taxpayers' expense, as proposed in the new legislation, a slight increase in the price of bread will mean only \$1.60 per person a year, and in the case of rice, only 30 cents per person per year.

Surely, this is a small price to pay a healthy and prosperous agriculture.

I personally am determined to improve farm income, and to protect our family system of agriculture.

We shall have the Secretary of Agriculture before our committee tomorrow to discuss the details of the legislation, and then the various divisions of the bill—such as wheat, feed grains, rice and wool—will be referred to subcommittees for separate hearings.

I am not certain at this time whether we shall take an omnibus bill to the House for action, or present separate bills as we make our determinations on the best policies and programs for the various commodities.

Poverty

EXTENSION OF REMARKS

OF

HON. MARTHA W. GRIFFITHS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 5, 1965

Mrs. GRIFFITHS. Mr. Speaker, the following is the second of a series of articles on the poverty program written by Jo Ann Hardee, of the Detroit News. NEW "POVERTY" DEFINITION WILL TIE IT TO LIVING COST

(By Jo Ann Hardee)

WASHINGTON, March 15.—A new definition of "poverty" will be announced by the Office of Economic Opportunity (OEO) within 2 months.

It will be more precise than that developed by the Council of Economic Advisers, which set the poverty level at \$3,000 for a family and \$1,500 for an individual.

It is expected to raise the poverty line for nonfarm families to \$3,120 and lower it to \$1,850 for farm families.

WEIGH COST FACTORS

Instead of a flat-income figure, the new definition will be based generally upon cost of living, taking into consideration regional location, urban versus rural life, farm versus nonfarm life, age, and educational level.

As a measure of cost of living, the OEO is using the Social Security Administration low-income budget for a four-person family. This allows 70 cents per person for daily food and \$1.40 per person for all other expenses, including housing, clothing, school expenses, medical costs and transportation.

This index requires \$3,120 yearly income. But the OEO recognizes that the adequacy of such an income is related to costs of living in a particular locality.

SEEK BASIC STANDARD

Its figures show that a farm family which grows its own food could achieve the same standard of living on \$1,850 a year, while some city dwellers would require more than \$3,120 for the same standard.

"What we are developing is a minimum living standard," said Leon Gilgoff, Deputy Director of the OEO's Department of Planning, Research and Evaluation.

"If we meet this basic level we can move on. The program is certainly not designed to stop at an arbitrary income level of \$3,120. Only the coldest hearted person would say that 70 cents per person for daily food is an adequate living."

The new definition is expected to answer critics who quarreled with the \$3,000 to \$1,500 evaluation of poverty.

Barry Goldwater, of Arizona, noted that more than 1 million members of the Armed Forces had less than a \$3,000 annual income, including living allowances. They also said that retired persons on social security would be barred from that program if they earned more than \$3,000.

Critics also said the definition did not take into account noncash income such as farm products.

Representative ROBERT P. GRIFFIN, Traverse City, Mich., Republican, said an older couple with 6,000 shares of International Business Machines stock would have a cash income of \$3,000 annually, but their stock would be worth \$300,000.

"Naturally, it would be ridiculous to include or exclude someone from an antipov-erty program on an arbitrary income basis alone," Gilgoff said. "That's why we have placed emphasis upon community action programs."

"INDEX BY AREAS

"At the community level, persons are being screened on the basis of their need. They certainly shouldn't be excluded from the program if they make \$3,121, are unemployed, poorly educated, and have six children."

"But we are trying to develop more accurate guidelines for screening," he added. "Eventually we hope to develop a poverty index for individual communities similar to the unemployment index now in use."

The U.S. Chamber of Commerce, an opponent of the antipov-erty bill, is developing its own definition of poverty through a special task force of 100 business leaders.

It has urged a market-basket approach, using cost of living as the guide to poverty. Its definition, expected in April, is to be based essentially upon the same criteria as the OEO's.

BREAKING IT DOWN

Gilgoff's inventory of poverty is a complex breakdown of the 34 million persons designated as poor by the Council of Economic Advisers.

Those figures showed that 78 percent of the poor were white; heads of 60 percent of all poor families have only grade school educations, one-third of the poor families were headed by a person over 65.

Gilgoff's poverty inventory is designed to show a precise profile of poverty.

When completed it should reveal how many persons in a given geographical region are at the poverty level; their ages, sex, color, educational level, housing quality, health and whether they live in cities, rural areas or on farms.

This can be contrasted with the comparable standards of living of similar persons in the same geographical area.

HOPE FOR BATTLE PLAN

OEO analysts believe the new definition will not only answer criticisms that the previous flat-income level was too vague, but will pinpoint the methods needed to combat poverty.

"We realize that the definition of poverty used to develop the economic opportunity act was vague and transitory," Gilgoff said. "It was, however, wise as a jumpoff point for immediate action."

"We realize also that our programs were not developed on the basis of the effectiveness of one approach as opposed to another. They were built on the demonstrated need of 34 million people."

"With a breakdown of the poverty category into types of needs, we can evaluate the cost of a specific program in relation to its effectiveness."

HOW TO BREAK CYCLE?

OEO officials are primarily concerned with "breaking the cycle of poverty," Gilgoff said. They wish to move people out of poverty and keep them from slipping back into a poverty status.

The breakdown will give OEO officials a better idea of where to put its limited resources in order to do the best job. They recognize that \$727 million is a very small sum in relation to the \$40 billion now being spent by the Federal Government alone in antipov-erty programs such as welfare.

As an example, Gilgoff's new poverty definition will show how many children under 15 live in poverty-ridden families. OEO analysts frankly admit that the best opportunity for breaking the poverty cycle rests with the young.

The breakdown also is expected to "give us a guide to the kind of person that works out best in an antipov-erty effort," Gilgoff said.

EXCEPTIONS TO RULE

"There may be some classifications for whom the only answer is a transfer payment of increased social security. The elderly, as an example, have little opportunity to re-enter the job market. Although we reject the transfer payment as a solution to poverty, the elderly are an example of the case in which it may be the only reasonable answer."

"Another case might be that of a mother, now on Aid to Dependent Children, who perhaps should have the option of working or staying home with young children."

In his planning and evaluation, Gilgoff is using the systems analysis methods of the Department of Defense where he was formerly employed.

"When we have a complete poverty inventory and as we gain fiscal and economic maturity, we can judge the cost of a specific program against its effectiveness," he said.

"If it doesn't work, we should be and intend to be, the first to reject it."

How We Reject Christ

EXTENSION OF REMARKS

OF

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 1, 1965

Mr. HANSEN of Idaho. Mr. Speaker, under leave to extend my remarks and include extraneous material, I submit the following editorial from the Deseret News, published in Salt Lake City, Utah, and dated March 13, 1965.

The editorial points up the way in which we are drifting away from the laws of God; how this drift is even being encouraged by some members of the clergy; how this drift is being condoned and encouraged by universities and bar associations; how this drift is carrying us, day by day, farther and farther away from the moral precepts of our fathers; how this drift is losing for us the moral base on which our great Nation was founded and grew.

It is a thoughtful and thought-provoking editorial, Mr. Speaker. I believe it should be read by all who are concerned as to where we, as a nation, are going.

The editorial follows:

HOW WE REJECT CHRIST

There are various ways of rejecting Christ. We need not be atheists or pagans to turn our backs upon Him. We can even profess to know Him, and still deny Him by our works, as Paul has said.

America claims to be a Christian nation. We say "In God We Trust" on our coins, and sing about it in our national anthem, and yet we take many steps which oppose the very things we profess.

Preachers who appear to advocate Christianity teach doctrines which are directly contrary to the sacred precepts given us by the Saviour. Politicians pass laws which defy divine principles.

In New York, one of our greatest States, we now have a movement in the legislature to pattern after Illinois, another of our greatest States, in liberalizing morality laws.

The bar association there is asking the legislature to rule that "adultery shall no longer be a crime; homosexuality shall no longer be illegal; the age of consent shall be reduced to the tender age of 16 for any persons wishing to enter prostitution.

A minister in Baltimore told college students that sex is fun—relax and enjoy it. Fornication, he said, is not a sin, so stop feeling guilty about your sex activities.

England is entering the same road. A high official there favored the same kind of free love—advocating it publicly. Students at one of the best colleges in Britain may now keep girls overnight in their dormitories if they pay the school a fine of 3 pounds sterling.

When God says, "Thou shalt not commit adultery," what preacher can set the law aside and say this sin is "fun" and people should relax and enjoy it? When great states wish to legalize filth and say there is no sin in it, do they not reject the being who issued divine injunctions against it?

Christ denounced fornication. Can a "man of the cloth" remove the divine restriction? Are men beginning to consider themselves greater than God?

A recent religious publication bearing an official imprimatur, would make us think so as it says on another subject:

"Every day the priest obeys that command (meaning the celebration of the eucharist). He stands before the altar and cries out to God to come down from Heaven and take up his residence under the appearance of bread and wine. God obeys. The priest may be weak, or sick, or ignorant, or even evil. It makes no difference. When he gives command, Almighty God obeys. What an extraordinary power this is. No king, no dictator, no president ever possessed anything like it."

A Gallup poll in England, taken about Christmas time, showed that 65 percent of the people no longer regard Christmas with any religious significance.

Sunday in most countries, and certainly in the United States of America, is now a holiday for the vast majority. It too has lost its religious significance for most people.

Some churches actually teach that if you attend a religious service on Sunday, the rest of the day may be given over to sports or frolic of your own choosing.

America is the land "choice above all other lands," but its divine protection rests upon the worship of Christ who is the God of the land.

Are signs such as those mentioned above significant?

Does the trend they portray have any bearing on our national security in these times of great world unrest?

To what extent may we hope to enjoy the blessings of Heaven if we reject the God of this land? What proportion of the population must join in the rejection before this Nation as a whole is considered recreant toward God?

Anciently Abraham bargained with the Lord for the preservation of a city. The Almighty was willing to spare it for a faithful few—if they could be found.

Can Latter-day Saints and other sincere Christians become a leaven in the lump to preserve America while the majority of its population seems to turn its back upon the Savior?

What better patriotic duty can they perform than to walk righteously before their God?

Backtracking on Oil

EXTENSION OF REMARKS

OF

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 5, 1965

Mr. MORSE. Mr. Speaker, all of New England was shocked last week by Secretary of the Interior Udall's abrupt about-face on the question of import controls on residual oil.

After assuring New England Representatives that a decision would be made to eliminate the quota on residual oil for New England, the Secretary's decision was reversed and he permitted only a slight increase in the current quota.

Since the Secretary himself has admitted that the national security interest in continuing the quotas is not a significant factor, it is difficult for us to escape the conclusion that our region is the victim of rank discrimination.

On Friday, April 2, the Boston Herald in a fine editorial asks "What is the justification for this extra fuel tax on New England?" It is a good question and one which deserves a good answer.

The editorial follows:

BACKTRAINING ON OIL

Secretary of the Interior Stewart Udall has put himself in a completely untenable position by his latest action on residual oil import quotas.

Three weeks ago he told Senators testifying at Interior Department hearings: "The President has given me full and sole and complete authority to make this decision (on continuing or ending oil quotas) * * *. I'm going to make it on my own."

This week, after first deciding to exempt New England and Florida from all controls, he reversed himself under pressure from White House and Justice Department lawyers and announced simply that quotas for the east coast would be increased by 75,000 barrels a day.

The lawyers argued that, because the quotas were established for national security

purposes, it would not be legally "viable" to treat some areas differently from others. But counsel for the New England Council had filed a brief showing that there was no legal barrier to such an arrangement. And Mr. Udall, until the last moment, had accepted this view.

Raising the quotas does not, of course, meet New England's problem.

This region is a heavy user of residual oil, consuming upward of 70 million barrels a year. And most oil users, such as our electric utilities, are not in a position to switch to other fuels. For New England, as Senator MUSKIE has said, it is not a question of residual or coal, but rather residual or disaster. The new import quotas barely make up for the decline in domestic production.

The squeeze comes on price. The quota system inevitably forces residual prices upward. The cost of residual oil is now higher in the United States, an energy rich country, than in many energy poor countries. Secretary Udall himself estimates that the quota system is costing U.S. consumers \$40 million a year. And a substantial part of that bill is paid in New England.

And what is the justification for this extra fuel tax on New England? Ostensibly it is national security—protecting domestic oil and coal producers. But Secretary Udall, who is supposed to have the last word on the matter, says dropping the quotas in our case would not hurt the national security.

It is hard to avoid the conclusion, therefore, that this region is being victimized by selfish oil and coal interests who are bringing pressure on the Interior Secretary through the White House.

We hope that the strong protests made by the New England congressional delegation and other regional spokesmen will serve to counteract these pressures and bring about a settlement of the quota question on its merits. The whole quota system should be scrapped. At very least it should be scrapped in New England and Florida, where there is no significant competition between imported residual oil and domestic fuels.

Secretary Udall was right the first time. He should have stuck by his guns.

Don't Drown the Grand Canyon

EXTENSION OF REMARKS

OF

HON. FRANCES P. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 5, 1965

Mrs. BOLTON. Mr. Speaker, the Congress will be asked, in due course, to judge whether dams should be built on the Lower Colorado River, which would create a reservoir in the Grand Canyon National Park. This is such a frontal attack upon one of our Nation's most splendid and revered natural wonders that any projects which would lessen its majesty must certainly be reviewed with the greatest of care.

From my preliminary study, I am somewhat astounded to learn that these proposed dams would not actually add to the total volume of water for the area. In fact, the evaporation from the dams themselves would indicate a net loss of water. Perhaps in this great day of specialization there is a logical explanation for such proposals, but I have always thought that reclamation projects should have as their objective the reclaiming of

A BILL

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1965".

TITLE I - WHEAT

SEC. 101. Effective beginning with the crop planted for harvest in the calendar year 1966, the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 332 is amended by changing item (iv) in subsection (b) to read: "will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962" and by adding the following new subsection:

"(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing

quota for the crops of wheat planted for harvest in the calendar years 1966 ^{AND 1967} ~~through 1969~~, and farm marketing quotas shall not be in effect for such crops of wheat."

(2) Section 333 is amended to read as follows: "The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop or, if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed. The Secretary may, in his discretion, adjust such national acreage allotment as he determines necessary to assure the maintenance of adequate but not excessive stocks in the United States."

(3) Subsection (a) of section 334 is amended to read as follows:

"(a) The national allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among

the States on the basis of the preceding year's allotment for each such State, including for 1966 the increased acreage in the State allotted for 1965 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop-rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of

counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (i.e., farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year."

(4) Subsection (b) of section 334 is amended to read as follows:

"(b) The State acreage allotment for wheat, less a reserve of not to exceed three per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1966 the increased acreage in the county allotted for 1965 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop-rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors."

(5) Subsection (c) of section 334 is amended by adding new paragraphs (3) and (4) to read as follows:

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1966 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded

as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment.

"(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1966 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment:

Provided, That (i) for purposes of computing the 1966 allotment for any farm not in compliance with its 1964 farm acreage allotment, the 1965 acreage allotment shall be reduced by seven per centum; (ii) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by seven per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a certificate program was in effect and there was non-compliance with the farm acreage allotment for such year; and (iii) for purposes of clause (ii), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion

shall be reduced by reducing the allotment for the immediately preceding year by seven per centum."

(6) Subsection (d) of section 334 is repealed.

(7) Subsection (g) of section 334 is amended by striking out the language "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section" in the first sentence.

(8) Section 335 is amended by adding at the end thereof the following: "This section shall not be applicable to the crops planted for harvest in 1966 and subsequent years."

(9) Section 339(b) is amended (1) by striking out "1964 and 1965 crops of wheat" and substituting "crops of wheat planted for harvest in the calendar years 1964 through 1967", (2) by striking out of the first sentence "payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate for wheat not accompanied by marketing certificates on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section" and substituting "payments may be made with respect to acreage diverted at such rate or rates as the Secretary determines will provide producers with a fair and

reasonable return for the acreage diverted, taking into consideration the loss of production on such acreage based on the projected farm yield, any savings in cost which result from such diversion, the incentive necessary to obtain participation in the program, and the income objectives of the Act", and (3) by striking out of the third sentence "20 per centum of the farm acreage allotment" and "fifteen acres" and substituting "50 per centum of the farm acreage allotment" and "twenty-five acres", respectively.

(10) Section 339(e) is amended to read as follows: "The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, soybeans and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses."

(11) Section 377 is amended by deleting from the first sentence the language in parenthesis and by changing the colon before the first proviso of such sentence to a period and striking out the remainder of such sentence.

(12) Section 379c is amended by adding the following new subsection:

"(e) Notwithstanding any other provision of law, the amount of certificates issued with respect to any farm may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the program formulated under this subtitle."

SEC. 102. Effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 and 1967, and the marketing years for such crops, section 379b is amended to read as follows:

"Sec. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 and 1967. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be (i) the amount of wheat he estimates will be used during such year for food products for consumption in the United States and (ii) that

portion of the amount of wheat which he estimates will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the amount of the national marketing quota for wheat that would be determined for such marketing year if a national marketing quota for such year had been proclaimed less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

SEC. 103. Effective beginning with the 1968 crop, section 379b is amended by striking out "normal yield of wheat for the farm as determined by the Secretary" and substituting "projected farm yield".

SEC. 104. (a) Effective upon the enactment of this Act, section 379d(b) is amended by striking out the third sentence

and substituting the following: "The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other noncommercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port."

(b) Section 379d(d) is amended to read as follows:

"(d) As used in this subtitle, the term 'food products' means any product composed wholly or partly of wheat to be used for human consumption, including beverage, as determined by the Secretary."

This subsection shall be effective as to food products sold, or removed for sale or consumption on or after 60 days following enactment of this Act, unless the Secretary shall by regulation designate an earlier effective date within such 60-day period.

SEC. 105. The Agricultural Act of 1964 is amended as follows:

(1) Amendment (7) of section 202 is amended by striking out "1964 and 1965" and substituting "the calendar years 1964 through 1967".

(2) Amendment (13) of section 202 is amended by striking out "only with respect to the crop planted for harvest in the calendar year 1965" and substituting "with respect to the crops planted for harvest in the calendar years 1965 through 1967".

(3) Section 204 is amended by striking out "1964 and 1965" and substituting "1964 through 1967".

SEC. 106. Effective beginning with the 1966 crop, section 107 of the Agricultural Act of 1949, as amended, is amended to read as follows:

"Sec. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1966 crop--

"(1) Whenever a wheat marketing allocation program is in effect, (a) price support for wheat

accompanied by domestic certificates shall be at such level, not less than 65 per centum or more than 100 per centum of the parity price therefor, as the Secretary determines, (b) price support for wheat accompanied by export certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines, and (c) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(2) Whenever a wheat marketing allocation program is not in effect, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

"(3) A 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who

(i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored."

SEC. 107. Effective beginning with the crop planted for harvest in the calendar year 1966, section 339(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words "national acreage allotment", wherever they appear, the following: "(less an acreage equal to the increased acreage allotted for 1965 pursuant to section 335)".

SEC. 108. Effective beginning with the crop planted for harvest in the calendar year 1966, section 379c(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the third sentence to read as follows: "The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on a fair and equitable basis.", and by adding at the end thereof the following: "An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection."

SEC. 109. Section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Paragraph (8) is amended by inserting "(A)" after "(8)" and adding the following new subparagraph:

"(B) 'Projected national yield' as applied to any crop of rice or wheat shall be determined on the basis

of the national yield per harvested acre of the commodity during each of the five calendar years immediately^{ly} preceding the year in which such projected national yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

(2) Paragraph (13) is amended by adding the following new subparagraphs:

"(J) 'Projected county yield' for any crop of rice or wheat shall be determined on the basis of the yield per harvested acre of such crop in the county during each of the five calendar years immediately preceding the year in which such projected county yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

"(K) 'Projected farm yield' for any crop of rice or wheat shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected ~~county~~^{FARM} yield is determined, adjusted for abnormal weather

conditions affecting such yield, for trends in yields and for any significant changes in production practices."

SEC. 110. (a) Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1966 crop, by striking out of the fifth sentence the words "normal yield of wheat per acre established for the farm" and substituting therefor the words "projected farm yield".

(b) Section 379i of the Agricultural Adjustment Act of 1938, as amended, is amended, effective as of the effective date of the original enactment of the section, by inserting in subsections (a) and (b) after the word "who", wherever it appears, the word "knowingly".

SEC. 111. (a) Effective beginning with the crop planted for harvest in 1966, paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(9) 'Normal production' as applied to any number of acres of rice or wheat means the projected farm yield times such number of acres and, as applied to any number of acres of cotton, means the normal yield for the farm times such number of acres."

(b) Public Law 74, 77th Congress, as amended, is amended by changing the words "normal yield of wheat per acre established

for the farm" in paragraph (1) to the words "projected farm yield".

TITLE II - FEED GRAINS

SEC. 201. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

"(e) For the 1966 and 1967 crops of feed grains, the Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base. In addition to price support provided under subsections (a) and (b) of this section, which shall be made available through loans and purchases, for any feed grain included in the acreage diversion program, a payment-in-kind may be made available to producers in such amount or amounts as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their

acres of feed grains, and to take into account the extent of participation by the producer. Such payments-in-kind shall be made on such part of the acreage of such feed grain planted on the farm for harvest as the Secretary determines desirable to effectuate the purposes of the program: Provided, That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price support program. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on a

fair and equitable basis. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. Notwithstanding any other provision of law, payments-in-kind under this subsection (e) and subsection (d) of this section may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the programs formulated under such subsections and section 16 of the Soil Conservation and Domestic Allotment Act, as amended."

SEC. 202. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(i) Notwithstanding any other provision of law--

"(1) For the 1966 and 1967 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable

and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, taking into consideration the loss of production on such acreage, any savings in cost which result from such diversion, the incentive necessary to achieve the acreage reduction goal, and the payments-in-kind made available under section 105(e) of the Agricultural Act of 1949, as amended. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be

devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term 'feed grains' means corn, grain sorghums, and, if designated by the Secretary, barley. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or 25 acres, whichever is greater) as

the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960 and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (i)(1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such

adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance.

"(2) Notwithstanding any other provision of this subsection, not to exceed one per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted

to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

"(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(1).

"(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(5) Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the

current support price made available through loans and purchases, plus reasonable carrying charges.

"(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

SEC. 203. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the language beginning with "the requirements" and ending with "Agricultural Act of 1961, and" and substituting therefor "the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or".

TITLE III - RICE

SEC. 301. The Agricultural Adjustment Act of 1938, as amended, is amended by striking out sections 380a through 380p and substituting the following:

"Sec. 380a. The movement of rice from producer to consumer is preponderantly in interstate and foreign commerce, and the small quantity of rice which does not move in interstate or

foreign commerce affects such commerce. Unreasonably low prices of rice to producers impair their purchasing power for nonagricultural products and place them in a position of serious disparity with other industrial groups. The conditions affecting the production of rice are such that without Federal assistance, producers cannot effectively prevent disastrously low prices for rice. It is necessary in order to assist rice producers in obtaining fair prices, to regulate the price of rice in the manner provided in this subtitle.

"Rice Marketing Allocation

"Sec. 380b. If marketing quotas are in effect for rice for the 1966 or 1967 crop, a rice marketing allocation program for the marketing year for such crop shall be in effect as provided in this subtitle. Whenever a rice marketing allocation program is in effect for any marketing year, the Secretary shall determine (1) the rice marketing allocation for such year which shall be the amount of rice which in determining the national acreage allotment for such year he estimated would be used for domestic consumption except for seed, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the amount of rice determined by multiplying the national acreage allotment by the projected national yield.

Each farm shall receive a rice marketing allocation for such marketing year equal to the number of hundredweights obtained by multiplying the number of acres in the farm acreage allotment for rice by the projected farm yield of rice, and multiplying the resulting number of hundredweights by the allocation percentages established by the Secretary within the ranges prescribed in the schedule below: Provided, That in any State or administrative area in which farm rice acreage allotments are determined on the basis of past production of rice by the producers on the farm, each producer shall receive a rice marketing allocation determined by multiplying the producer's rice acreage allotment for such State or area by his projected yield of rice, as determined by the Secretary, and by multiplying the result of such allocation percentages.

Estimated production on
allotted acres (allotment
multiplied by projected
yield)

Allocation percentage

First 500 hundredweights
and less

Not less than national
allocation percentage or
more than 55 per centum

501 hundredweights to
1,500 hundredweights,
inclusive

Not less than national
allocation percentage or
more than 45 per centum

More than 1,500 hundred-
weights

National allocation per-
centage

The additional rice marketing certificates issued to producers as a result of using allocation percentages in excess of the national allocation percentage shall be financed by the Commodity Credit Corporation. The acreage allotment referred to in this section shall be the acreage allotment established under section 353(b) before any of such allotment is voluntarily surrendered or such allotment is increased by any reapportioned allotment as provided in section 353(e) of this Act.

"Marketing Certificates

"Sec. 380c. (a) The Secretary shall provide for the issuance of rice marketing certificates for each marketing year for which a rice marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of rice, an amount equal to the value of such certificates. The rice marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm rice marketing allocation for such year, but not to exceed the actual acreage of rice planted on the farm for harvest in the calendar year in which the marketing year begins multiplied by the projected yield of rice for the farm as determined by the Secretary. The rice marketing certificates issued to any producer

for any marketing year in any State or administrative area where producer allotments are established shall be in the amount of the producer's rice marketing allocation for such year, but not to exceed the actual acreage of rice planted by the producer in such State or area for harvest in the calendar year in which the marketing year begins multiplied by the producer's projected yield as determined by the Secretary. The Secretary shall provide for the sharing of rice marketing certificates among producers on the farm on a fair and equitable basis.

"(b) No producer shall be eligible to receive rice marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm.

"(c) Whenever a rice marketing allocation program is in effect for any marketing year, the Secretary shall determine and proclaim for such marketing year the face value per hundredweight of marketing certificates which shall be equal to the amount by which the level of price support for rice accompanied by certificates (certificate rice) exceeds the level of price support for rice not accompanied by certificates (non-certificate rice).

"(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts,



certifications, or other statements or forms as the Secretary may prescribe.

"(e) Notwithstanding any other provision of this Act, the amount of certificates issued with respect to any farm may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the program formulated under this subtitle.

"Marketing Restrictions

"Sec. 380d. (a) Marketing certificates shall be transferable only in accordance with regulations prescribed by the Secretary. Any unused certificates legally held by any person shall be purchased by Commodity Credit Corporation if tendered to the Corporation for purchase in accordance with regulations prescribed by the Secretary.

"(b) During any marketing year for which a rice marketing allocation program is in effect, all persons engaged in the processing of rice in the United States shall, prior to marketing any processed rice or removing processed rice for sale or consumption, acquire marketing certificates equivalent to the number of hundredweights of rice from which such processed rice was obtained, as determined by the Secretary of Agriculture. The requirements of this subsection shall not be applicable to rice

which is both produced and processed in Puerto Rico or in any State for which no acreage allotment is established under section 353 of this Act. The Secretary may exempt from the requirements of this subsection (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof and processed for use by the State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial. Marketing certificates shall be valid to cover only sales or removals for sale or consumption made during the marketing year with respect to which they are issued, and after being once used to cover a sale or removal for sale or consumption shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales or removals made on or after the date during the calendar year in which rice harvested in such calendar year begins to be marketed as determined by the Secretary even though such rice is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales or removals made on or after the date so determined by the Secretary.

"(c) Upon the exportation from the United States of any processed rice with respect to which certificates were acquired, the Commodity Credit Corporation shall pay to the exporter an amount equal to the value of the certificates for the rough rice equivalent of such processed rice. Such payments may be in cash or in kind, as determined by the Secretary.

"(d) Upon the giving of a bond or other undertaking satisfactory to the Secretary to secure the purchase of and payment for such marketing certificates as may be required, and subject to such regulations as he may prescribe, any person required to have marketing certificates in order to market processed rice or remove such rice for sale or consumption may be permitted to market or remove such rice without having first acquired marketing certificates.

"Import Restrictions

"Sec. 380e. Each person who, on or after the beginning of the marketing year for each marketing year for which a rice marketing allocation program is in effect, imports processed rice into the United States shall acquire marketing certificates covering the rough rice equivalent of such processed rice.

"Assistance in Purchase and Sale of Marketing Certificates

"Sec. 380f. For the purpose of facilitating the purchase and

sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases.

Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.

"Authority to Facilitate Transition

"Sec. 380g. The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the rice in rough or processed form in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 380d, or to sell certificates to

processors covering such rice at such prices as the Secretary may determine. Any such certificates shall be issued by the Commodity Credit Corporation.

"Reports and Records

"Sec. 380h. This section shall apply to processors, exporters, importers, and warehousemen of rice in rough or processed form and all persons purchasing, selling, or otherwise dealing in rice marketing certificates. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this subtitle. Such information shall be reported and such records shall be kept in such manner as the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memorandums as he has reason to believe are relevant and are within the control of such person.

"Regulations

"Sec. 380i. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle,

including but not limited to regulations governing the acquisition, disposition, or handling of marketing certificates.

"Definitions

"Sec. 380j. For the purposes of this subtitle--

"(a) 'processing of rice' means subjecting rough rice for the first time to any process which removes the husk or hull from the rice and results in the production of processed rice.

"(b) 'processed rice' means 'brown rice' as defined in the United States Standards for Brown Rice, 'milled rice' as defined in the United States Standards for Milled Rice, including special grades of brown and milled rice, and such other rice as may be designated by the Secretary of Agriculture.

"(c) 'United States' means the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(d) 'rough rice equivalent' means the quantity of rough rice normally used, as determined by the Secretary of Agriculture, in the production of a particular quantity and type of processed rice, with appropriate adjustments for broken kernels, as determined by the Secretary.

"(e) 'import' means to enter, or withdraw from warehouse, for consumption."

SEC. 302. Section 379i of the Agricultural Adjustment Act of 1938, as amended, is amended (i) by inserting in subsection (a) after the words "subsection (b) of section 379(d)" the words ", subsection (b) of section 380d, or section 380e", (ii) by inserting in subsection (b) after the words "this subtitle" the words "or subtitle E", after the words "by section 379h" the words "and section 380h", and immediately preceding the words "marketing certificates" the words "wheat or rice" and (iii) by changing in subsection (d) the words "any marketing certificate" to read "any wheat or rice marketing certificate".

SEC. 303. The Agricultural Act of 1949, as amended, is amended as follows:

(1) By inserting after section 107 the following new section:

"Sec. 108. Notwithstanding the provisions of section 101 of this Act, the level of price support for the crops of rice planted for harvest in the calendar years 1966 and 1967 shall be as follows:

"(1) If a rice marketing allocation program is in effect, price support for rice accompanied by marketing certificates shall be at such level,

not less than 65 per centum or more than 100 per centum of the parity price therefor as the Secretary determines; and price support for rice not accompanied by marketing certificates shall be at such level, not more than the parity price therefor, as the Secretary determines will provide orderly marketing of rice during the harvest season and will retain an adequate share of the world market for United States rice producers, taking into consideration the factors specified in section 401(b) of this Act and the price of rice in world markets.

"(2) Price support shall be made available only to cooperators.

"(3) The level of price support for any crop of rice for which the Secretary determines that the total supply of rice for the marketing year will not exceed the normal supply or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

"(4) A 'cooperator' with respect to any crop of rice produced on a farm shall be a producer who does not knowingly exceed (i) the farm

acreage allotment for rice on the farm or (ii) except as the Secretary may by regulation prescribe, the farm acreage allotment for rice on any other farm on which the producer shares in the production of rice. If marketing quotas are not in effect for the crop of rice, a 'cooperator' with respect to any crop of rice produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for rice."

(2) By changing the period at the end of the third sentence in section 407 to a colon and adding the following: "Provided further, That if a rice marketing allocation program is in effect, the current support price for rice shall be the support price for rice not accompanied by marketing certificates."

SEC. 304. Section 352 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows effective beginning with the 1966 crop:

"Sec. 352. The national acreage allotment of rice for any calendar year shall be that acreage which the Secretary determines will, on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments, produce an amount

but also on the farm or (11)
except as the Secretary may by regulation prescribe,
the farm acreage allotment for rice on any other
land on which the product shown in the production
of rice. If marketing quotas are not in
effect for the crop of rice, a "cooperatives" with respect
to any crop of rice produced on a farm shall be
a producer who does not knowingly
farm average allotment for rice."

(2) By changing the period at the end of the third sentence

in section 407 to a colon and adding the following: "Further, that if a rice marketing allocation program is in effect,
the current support price for rice shall be the support price for
rice not accompanied by marketing certificates."

Section 407 of the Agricultural Adjustment Act

1938, as amended, is amended to read as follows effective beginning

with the 1961 marketing year: "Sec. 407. The national average allotment of rice for any
calendar year shall be that acre
well, on the basis of the projected
underplantings (except other than those not harvested because of
program incentives) of farm average allotments of rice in amount

of rice not less than 60,000,000 hundredweights adequate, together with the estimated carryover from the marketing year ending in such calendar year, to make available a supply for the marketing year commencing in such calendar year equal to the estimated domestic consumption of rice for the marketing year for which the allotment is being determined, the estimated exports for such year, and an adequate carryover. Such national acreage allotment shall be proclaimed not later than December 31 of each year."

SEC. 305. Section 353(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out paragraph 6.

SEC. 306. Section 353 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection (g) as follows:

"(g) If, beginning with the 1965 crop of rice, the owner or landlord of any farm in a State or administrative area in which rice acreage allotments are determined primarily on the basis of the past production of rice on the farm has evicted or evicts any tenant or sharecropper on his farm without just cause, or has required or requires that a tenant or sharecropper pay, in addition to the rental customarily paid in the community for similar land for rice production, a sum of

money or any thing or service of value, or has forced or forces a tenant or sharecropper by coercion, subterfuge, or in any manner whatsoever to vacate the farm of the owner or landlord or abandon the crop of rice produced by the tenant or sharecropper on such farm without just cause, as determined in accordance with regulations issued by the Secretary, the acreage allotment next established for the farm and for each succeeding year shall be reduced as provided in such regulations: Provided, That if the farm acreage allotment for a crop year has been established at the time the determination under this subsection is made but rice for such year has not been planted, the rice farm acreage allotment for such year and for each succeeding year shall be reduced as provided herein."

TITLE IV - WOOL

SEC. 401. The National Wool Act of 1954, as amended, is amended as follows:

(1) By deleting the second sentence of section 702 and inserting in lieu thereof:

"It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of

the general economic welfare, to support the price of wool in such manner and at such level as will encourage the domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production."

(2) By deleting from section 703 "March 31, 1966" and inserting in lieu thereof "December 31, 1967".

(3) Effective with respect to wool and mohair marketed after the close of the 1965 marketing year, by deleting from section 703 all of the provisions following the second sentence and substituting therefor the following:

"The price for wool marketed by the producer thereof in the 1966 and 1967 marketing years shall be supported at such levels within the three ranges prescribed in the following schedule as the Secretary determines necessary to encourage production consistent with the declared policy of this title:

<u>Quantity of wool (both shorn and pulled), grease basis, marketed by a producer</u>	<u>Levels of Support based on parity price on date of announcement thereof</u>
First 2,000 pounds.....	shall be supported at not less than 80 ⁷⁵ or more than 90 per centum of the parity price
Next 5,000 pounds.....	shall be supported at not less than 75 ⁷⁰ or more than 85 per centum of the parity price
Excess over 7,000 pounds.....	shall be supported at not less than 65 or more than 80 per centum of the parity price

"The quantity of pulled wool marketed in the form of unshorn lambs shall be determined at the rate of four pounds of wool per hundredweight of live animals sold. The price for mohair marketed by the producer thereof in the 1966 and 1967 marketing years shall be supported at such levels as the Secretary determines are necessary to maintain approximately the same levels of support for mohair as for wool. Mohair support prices shall not deviate more than 15 per centum above or below the percentage of the parity price at which wool is supported within comparable weight ranges as determined by the Secretary. The Secretary shall, to the extent practicable,

establish and announce the levels of price support for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year."

TITLE V - CROPLAND ADJUSTMENT

SEC. 501. Section 107 of the Soil Bank Act, as amended, is amended as follows:

(1) By changing the word "three" in the first sentence of subsection (a) to the word "five".

(2) By deleting the word "or" immediately preceding the word "other" in paragraph (1) of subsection (a) and inserting immediately after the word "uses" a comma and the words "or practices or uses which will establish, protect and conserve open spaces, natural beauty, wildlife and recreational resources, and prevent air and water pollution".

(3) By amending paragraph (4) of subsection (a) to read as follows:

"(4) Not to graze any acreage established in protective vegetative cover prior to the expiration of the contract except pursuant to the provisions of section 103(a)(3) hereof."

(4) By changing the word "all" to "such" in each of the two places it appears in paragraph (6)(A) of subsection (a), changing the period at the end of such paragraph to a comma, and adding the following: "as the Secretary may determine to be appropriate."

(5) By amending paragraph (1) of subsection (b) to read as follows:

"(1) To bear such part of the average cost (including labor) for the county or area in which the farm is situated of establishing and maintaining vegetative cover or other uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area; and".

(6) By adding a new sentence at the end of paragraph (2) of subsection (b) to read as follows: "The Secretary may make the annual payments for all years of the contract period upon approval of the contract or in such installments as he determines to be desirable."

(7) By striking the first sentence of subsection (d) and substituting therefor the following: "A contract shall not be terminated under paragraph (6) of subsection (a) unless the

violation is one which the Secretary has prescribed by regulation to be of such nature as to defeat or substantially impair the purposes of the contract."

(8) By adding a new subsection (e) at the end thereof to read as follows:

"(e) The total acreage placed under contract in any county shall be limited to a percentage of the total eligible acreage in such county which the Secretary determines would not adversely affect the economy of the county."

SEC. 502. Section 109 of the Soil Bank Act, as amended, is amended as follows:

(1) By adding at the end of subsection (a) the following:
"The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the period 1965-1970 to be carried out during the period ending not later than December 31, 1979."

(2) By inserting immediately after the word "cover" in subsection (b) the following: "entered into during the five-year period 1956-1960".

(3) By deleting the words "\$450,000,000 in any calendar year" in subsection (c) and substituting therefor the following:

"in excess of amounts specified from time to time in appropriation Acts."

SEC. 503. Sections 111 and 114 of the Soil Bank Act, as amended, are amended as follows:

(1) Section 111 is amended by deleting the words "water storage facilities, or other soil-, water-, wildlife-, or forest-conserving" in subsections (a) and (b) and substituting therefor the word "other".

(2) Section 114 is amended by deleting the first two words thereof and substituting therefor the words "Except as the Secretary may by regulation prescribe, no person".

SEC. 504. Section 118 of the Soil Bank Act, as amended, is amended by inserting "(a)" after "Sec. 118." and adding new subsections (b) and (c) as follows:

"(b) For the purpose of obtaining an increase in the permanent retirement of cropland to non-crop uses the Secretary may, notwithstanding any other provision of law, transfer funds appropriated for carrying out this title to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife and recreational

facilities, and the prevention of air and water pollution.

"(c) The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect and conserve open spaces, natural beauty, wildlife and recreational resources, and prevent air and water pollution."

SEC. 505. Section 123 of the Soil Bank Act, as amended, is repealed, except that such repeal shall not abate any penalty previously incurred by a producer.

SEC. 506. (a) Notwithstanding any other provision of law, the Secretary of Agriculture may, to the extent he deems it desirable, provide by appropriate regulations for preservation of cropland, crop acreage and allotment history applicable to acreage diverted from the production of crops in order to establish or maintain vegetative cover or other approved practices for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program.

(b) Section 112 of the Soil Bank Act, as amended, and subsections (b)(3) and (4) and (e)(6) of section 16 of the Soil

Conservation and Domestic Allotment Act, as amended, are repealed, except that all rights accruing thereunder to persons who entered into contracts or agreements prior to such repeal shall be preserved.

TITLE VI - TRANSFER OF ALLOTMENTS

SEC. 601. Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which an acreage allotment, base acreage, acreage-poundage quota, or sugar proportionate share (hereinafter referred to as "allotment") is established under any Federal statute which is based in whole or in part on the history of production of a commodity on the farm to sell or lease all or any part or the right to all or any part of such allotment to any other owner or operator of a farm for transfer to such farm; (2) may permit the producer to whom an allotment has been apportioned under any Federal statute primarily on the basis of the production of a commodity by the producer to sell, lease, or transfer by devise or other means all or any part or the right to all or any part of such producer allotment to another person; and (3) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned by him: Provided, That (i)

no allotment shall be transferred to a farm in another State or to a person for use in another State, (ii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder, and (iii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section. The transfer of an allotment shall have the effect of transferring also the acreage history and marketing quota attributable to such allotment: Provided, That in case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred and the production pursuant to the lease and transfer shall not be taken into account in establishing allotments for years subsequent to the expiration of the lease for the farm to which such allotment is transferred. The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield per acre, reasonable limits on the size of the resulting allotments on farms to which transfers

are made, and such other terms and conditions as he deems necessary. If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

SEC. 602. Sections 316 and 353(f) of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed.

SUMMARY OF PRINCIPAL PROVISIONS OF PROPOSED BILL

TITLE I - WHEAT

Title I would extend the voluntary wheat marketing certificate program for two years--1966 and 1967--with certain changes in the program features.

- (1) Wheat marketing quotas would be suspended during the operation of the voluntary program.
- (2) Acreage allotments would be continued for purposes of determining eligibility for price support, marketing certificates and diversion payments, but certain changes would be made to simplify the method for determining allotments. Under the new method, State, county and farm allotments will simply be computed on the basis of the preceding year's allotment.
- (3) The marketing certificate program would be similar to that in effect for 1964 and 1965 with the following changes:
 - (a) The number of certificates received by each farm would be based on the projected farm yield rather than the normal yield.
 - (b) The bill would authorize the Secretary to provide for distributing the certificates among the producers on the farm on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the wheat crop.
 - (c) The Secretary would be authorized to adjust the amount of certificates issued with respect to any farm for failure of a producer to comply fully.
 - (d) "Food products" for which marketing certificates are required to be purchased by processors are redefined to mean those products composed wholly or partly of wheat to be used for human consumption, including beverage, as determined by the Secretary.

(e) The Secretary would be authorized to exempt processors from the requirement to purchase certificates for wheat produced by a State and processed for use by the State, wheat processed for donation and wheat processed for other noncommercial uses.

(4) The diversion program for wheat would be extended for two years--1966 and 1967--with the following changes:

(a) The limitation of 50 per centum of the price support rate on diversion payments would be removed.

(b) The limitation on the number of acres of additional voluntary diversion would be raised from 20 per centum of the farm allotment to 50 per centum of the allotment.

(c) The Secretary may permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seed, soybeans and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

(5) Price support--

(i) for wheat with domestic certificates would be between 65 and 100 per centum of parity. Price support for wheat with export certificates would be at such level, not more than parity, as the Secretary determines;

(ii) for non-certificate wheat would be on the basis of competitive world prices of wheat and the feeding value of wheat in relation to feed grains.

(6) Minimum price for sales of wheat from Commodity Credit Corporation stocks would be 105 per centum of loan rate, plus reasonable carrying charges, as under the program in effect for 1964 and 1965.

(7) The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

(8) After 1967, the existing provisions of law for marketing quotas, marketing certificates and price support would again become effective.

Title I of the bill would also amend section 377 of the Agricultural Adjustment Act of 1938, as amended, to preserve the acreage allotment for the farm for any commodity in any case in which the acreage planted to the commodity is less than the allotment.

Title I would also change the marketing quota provisions on rice and wheat to provide that in computing marketing penalties, the excess production on which the penalty will be assessed will be determined on the basis of the projected farm yield instead of the normal yield. "Projected farm yield" is defined as the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such crop is produced, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

TITLE II - FEED GRAINS

Title II would extend the feed grain program for two years--1966 and 1967--with certain changes in the program features.

(1) Price support--

(a) If a feed grain diversion program is in effect, producers would be required, as a condition of eligibility for price support, to participate in the diversion program to the extent prescribed by the Secretary.

(i) Existing law, which would remain in effect, provides that if an acreage diversion program is in effect for feed grains, price support for corn shall be at 65 to 90 per centum of parity and at comparable levels for grain sorghums, barley, oats and rye.

(ii) A payment-in-kind, in addition to price support provided through loans and purchases, would be authorized to be made available to producers participating in the acreage diversion program. In determining the amount or amounts of the payment-in-kind, the Secretary would be authorized to take into account the extent of participation by the producer. The payment-in-kind would be made on such part of the feed grain acreage as the Secretary determines desirable to effectuate the purposes of the program. The Secretary could permit producers to have acreage devoted to soybeans considered as devoted to feed grains for purposes of payments-in-kind. The bill would authorize the Secretary to provide for distributing the payment-in-kind certificates on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the feed grain crop. The Secretary would be authorized to adjust the payments-in-kind for failure to comply fully with the program.

(b) If an acreage diversion program is not in effect, existing law, which would remain in effect, provides that price support for corn shall be not less than 50 or more than 90 per centum of parity as will not result in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats and rye.

(2) The feed grain acreage diversion program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The limitation on payments of 50 per centum of the price support rate would be removed.

(b) The Secretary may permit the diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans,

mustard seed and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

(c) The program would be limited to corn, grain sorghums and, if designated by the Secretary, barley.

(d) The payment limitation of 20 per centum of the fair market value with respect to acreage involved in the program would be removed.

(e) The malting barley exemption would be removed.

(3) The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

TITLE III - RICE

Title III of the bill would authorize a marketing certificate program for rice for two years--1966 and 1967--similar to the marketing certificate program for wheat. Marketing quotas would remain in effect.

(1) The Secretary would proclaim a national acreage allotment equal to the number of acres which the Secretary determines will, on the basis of the projected national yield and expected underplantings of farm acreage allotments, produce an amount of rice which, together with the estimated carryover, would be adequate to make available a supply equal to estimated domestic consumption, exports, and an adequate carryover. The minimum national acreage allotment would be one which would produce not less than 60,000,000 hundredweights of rice instead of the 1,652,596 acres specified under existing law.

(2) Producers would receive a rice marketing allocation on which marketing certificates would be issued equal to the number of hundredweights obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the rice crop which will be used in the United States during the marketing year except for seed. Provision is made for issuing additional certificates to be financed

by Commodity Credit Corporation on the first 1500 hundredweight of each farmer's production. Thus, small producers would receive relatively the highest returns from marketing certificates.

(3) The marketing certificates would have a value per hundred-weight equal to the difference between the price support on certificate rice and non-certificate rice.

(4) Marketing certificates would be required to cover all rice processed in the United States and all processed rice imported into the United States, but the value of the certificates would be refunded on all processed rice exported from the United States. The Secretary would be authorized to exempt processors from the requirement to purchase certificates for (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof and processed for use by the State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial.

(5) Commodity Credit Corporation would be authorized to buy and sell marketing certificates.

(6) The Secretary would be authorized to take such action as he determines would be necessary to facilitate the transition from the program currently in effect to the marketing certificate program.

(7) Price support--

(i) for rice with marketing certificates would be between 65 and 100 per centum of parity;

(ii) for non-certificate rice would be at such level, not in excess of parity, as the Secretary determines will provide orderly marketing of rice and retain an adequate share of the world market, taking into consideration the price of rice in world markets and other factors.

(8) The minimum price for sales of rice from Commodity Credit Corporation stocks would be 105 per centum of loan rate, plus reasonable carrying charges.

(9) After 1967, the existing provisions of law for acreage allotments, marketing quotas and price support will again become effective.

Title III would also provide authority to reduce the rice acreage allotment for any farm if the farm owner or landlord evicts or otherwise mistreats a rice tenant or sharecropper on the farm.

TITLE IV - WOOL

Title IV would amend the National Wool Act to extend the period during which price support may be made thereunder beyond its present termination date of March 31, 1966, to December 31, 1967. The bill would further amend that Act by deleting the presently stated policy of encouraging domestic production of 300,000,000 pounds of shorn wool, and the requirement that the support level be such as will result in a production of 360,000,000 pounds if such support level would not exceed 90 per centum of parity, and providing in lieu thereof a new policy of supporting wool at such level as will encourage domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production. Provision is made for three graduated levels of price support based upon each producer's marketings during the marketing year. Thus, small producers would receive relatively the highest returns from price support.

TITLE V - CROPLAND ADJUSTMENT

Title V would extend the Soil Bank Act to authorize a long-term cropland adjustment program under which the Secretary would be authorized to enter into long-term agreements with producers to assist them in diverting their cropland to vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, or practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, wildlife and recreational resources, and for the prevention of air and water pollution.

The Secretary would be authorized to enter into contracts with producers during the period 1965 through 1970 to be carried out during the period ending not later than December 31, 1979. The period covered by any contract would be not less than five years nor more than 10 years.

Grazing would be prohibited except in the case of severe drought, flood, or other natural disaster.

In return for the producer's diverting his cropland to approved uses, the Secretary would share the cost of establishing such uses and make an annual payment to the producer for the period covered by the contract. Authority would be given to the Secretary to make the annual payments for all years of the contract upon approval of the contract or in installments.

The total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such county as the Secretary determines would not adversely affect the economy of the county.

For the purpose of obtaining an increase in the permanent retirement of cropland to non-crop uses, the Secretary would be authorized to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.

The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect and conserve open spaces, natural beauty, wildlife and recreational resources and prevent air and water pollution.

Title V would also provide authority under which the Secretary would be authorized to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to acreage which is devoted to vegetative cover and other approved uses.

TITLE VI - TRANSFER OF ALLOTMENTS

Title VI would authorize the Secretary to permit the transfer by sale, lease, or other means of acreage allotments, base

acreages, and sugar proportionate shares which have been established under Federal law, including the transfer from one farm owned by a person to another farm owned by him. The Secretary could not authorize the transfer of allotments, base acreages, and proportionate shares unless he determined that the effective operation of the program involved would not be impaired.

No transfer would be permitted outside the State, from a farm subject to a mortgage or other lien unless agreed to by the lienholder, or until a copy of the transfer had been filed with the county committee of the county to which transferred and it was determined by the committee that it complied with the provisions of the statute.

The transfer of an allotment, base acreage, or proportionate share also would include the acreage history and marketing quota attributable thereto.

The Secretary would be required to prescribe regulations governing transfers including provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield, and for putting reasonable limits on the size of the resulting allotments.

If the farm from which the transfer was made was covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment in the contract or agreement would be appropriately adjusted, but no similar adjustment would be made for the farm to which the transfer is made.

Provisions of existing law authorizing leases of tobacco allotments and transfer of producer rice allotments would be repealed.

SECTION BY SECTION EXPLANATION
OF PROPOSED BILL

TITLE I - WHEAT

Section 101. This section contains 12 amendments to the Agricultural Adjustment Act of 1938, as amended.

Amendment (1) would amend section 332 to change one of the items making up the amount of the national marketing quota from the average amount of wheat which was used for livestock feed during 1959-60 to the amount of wheat which it is estimated will be used for livestock feed during the marketing year for which the quota is being determined, excluding the estimated amount of wheat used for such purposes as a result of wheat grown in lieu of feed grains under the substitution provision.

Amendment (1) would also suspend the proclamation of quotas on wheat for the 1966 and 1967 crops.

Amendment (2) would make the following changes in the provisions for computing the national acreage allotment. The national acreage allotment would be determined on the basis of the projected national yield instead of expected yields as under existing law. The acreage necessary to provide the increases in small farm allotments pursuant to section 335 would be added in the national acreage allotment rather than be established outside the national acreage allotment. This is a technical change to make this provision conform to the changes made by amendments (3) through (8) for computing allotments. The Secretary would be given discretionary authority under this amendment to adjust the national acreage allotment as necessary to assure adequate but not excessive stocks.

Amendments (3) through (8) would provide for the determination of State, county and farm allotments on the basis of the preceding year's allotment. This would preserve the increases given to farms with small allotments in 1964 and 1965 pursuant to section 335. In the future, such small farm allotments would be treated the same as other allotments. The so-called "Anfuso" amendment under which farmers who overplant their allotments lose history would not apply in any year in which there was a voluntary diversion or certificate program.

Amendment (9) would extend the diversion program for wheat for two years--1966 and 1967--with some changes. The limitation of 50 per centum of the price support rate on diversion payments would be removed. The limitation on the number of acres of additional voluntary diversion would be raised from 20 per centum of the farm allotment to 50 per centum of the allotment. (The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.)

Amendment (10) would authorize the Secretary to permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seed, soybeans and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

Amendment (11) would amend section 377 of the Agricultural Adjustment Act of 1938, as amended, relating to preservation of unused acreage allotments, to provide that in any case in which the acreage planted to a commodity on a farm is less than the acreage allotment for the farm, the entire acreage allotment shall be considered as planted to such commodity for such year for the purpose of establishing future State, county and farm acreage allotments.

Amendment (12) would authorize the Secretary to issue wheat marketing certificates to producers, with adjustments in the amount thereof, for performance rendered even though the producer failed to comply fully with the requirements of the program.

Section 102. This section would extend the wheat marketing certificate program for two years--1966 and 1967. The number of certificates received by each farm would be based on the projected farm yield rather than the normal yield.

Section 103. This section would amend the provisions applicable to the 1968 and subsequent crops to provide that the number of certificates received by each farm shall be based on the projected farm yield rather than the normal yield.

Section 104. This section would extend to other specified situations the authority of the Secretary to exempt wheat from the

requirement that processors and exporters purchase wheat marketing certificates. This section also would redefine "food products" for which marketing certificates are required to mean those products composed wholly or partly of wheat to be used for human consumption, including beverage, as determined by the Secretary.

Section 105. Amendment (1) would extend to the 1966 and 1967 crops the provision in the present program which eliminates the land-use penalty.

Amendment (2) would extend to the 1966 and 1967 crops the authority in the present program which authorizes producers who exceed their wheat allotments to store their excess wheat in accordance with regulations issued by the Secretary and be eligible for wheat marketing certificates.

Amendment (3) would extend to the 1966 and 1967 crops the provision in the present program which provides that minimum price for sales of wheat from Commodity Credit Corporation stocks would be 105 per centum of loan rate, plus reasonable carrying charges.

Section 106. This section would provide that price support for wheat with domestic certificates would be between 65 and 100 per centum of parity. Price support for wheat with export certificates would be at such level, not more than parity, as the Secretary determines, and for non-certificate wheat would be on the basis of competitive world prices of wheat and the feeding value of wheat in relation to feed grains.

Section 107. This section is a technical amendment to section 339(a) to make it conform to the amendments to the acreage allotment provisions in section 101.

Section 108. This section would authorize the Secretary to provide for distributing the certificates among the producers on the farm on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the wheat crop. This would permit taking into account the respective contributions of each producer on the farm in reducing wheat. This section also would provide that an acreage on the farm not planted to wheat because of drought, flood, or other natural disaster would be deemed to

be an actual acreage of wheat planted for harvest for purposes of computing the amount of wheat marketing certificates for the farm.

Section 109. This section contains two amendments to section 301(b) of the Agricultural Adjustment Act of 1938, as amended.

Amendment (1) would amend paragraph (8) to add a new subparagraph (B) defining the term "projected national yield" as applied to any crop of rice or wheat. The projected national yield would be determined on the basis of the national average yield of the commodity for the preceding five years, adjusted for abnormal weather conditions, for trends in yields, and for any significant changes in production practices. It would permit the determination of the national acreage allotment for wheat or rice on the basis of a national yield more nearly equal to the national yield which could be expected in the year for which the allotment is determined.

Amendment (2) would add subparagraphs (J) and (K) to paragraph (13). These would define "projected county yield" and "projected farm yield" for any crop of rice or wheat. The projected county yield would be determined on the basis of the yield per harvested acre for each of the immediately preceding five years, adjusted for abnormal weather conditions, trends in yields, and any significant changes in production practices. The projected farm yield would be determined on the basis of the yield per harvested acre for each of the immediately preceding three years, adjusted for the same factors as for the projected county yield. The use of these projected yields would permit the determination of farm yields of rice and wheat more nearly equal to those expected in the year for which they would be used.

Section 110. This section would amend the provisions of section 379c(b) relating to the storage of excess wheat to provide that, in computing the amount of wheat required to be stored, the projected farm yield shall be used in lieu of the normal yield. This section also would amend section 379i of the Agricultural Adjustment Act of 1938, as amended, relating to penalties for violations of the wheat marketing certificate program, to make it clear that the penalties are applicable only for violations committed knowingly.

Section 111. This section contains two amendments. Amendment (a) would redefine "normal production" as applied to wheat or rice contained in paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, so that, beginning in 1966, the projected farm yield would be used instead of the farm normal yield in the determination of the farm marketing quota and farm marketing excess.

Amendment (b) would amend paragraph (1) of Public Law 74, 77th Congress, relating to wheat marketing quotas, so that the projected farm yield would be used instead of farm normal yield in the determination of the farm marketing quota and farm marketing excess.

TITLE II - FEED GRAINS

Section 201. This section provides that if a feed grain diversion program is in effect, producers would be required, as a condition of eligibility for price support, to participate in the diversion program to the extent prescribed by the Secretary. Existing law, which would remain in effect, provides that if an acreage diversion program is in effect for feed grains, price support for corn shall be at 65 to 90 per centum of parity and at comparable levels for grain sorghums, barley, oats and rye. A payment-in-kind, in addition to price support provided through loans and purchases, would be authorized to be made available to producers participating in the acreage diversion program. In determining the amount or amounts of the payment-in-kind, the Secretary would be authorized to take into account the extent of participation by the producer. The payment-in-kind would be made on such part of the feed grain acreage as the Secretary determines desirable to effectuate the purposes of the program. The Secretary could permit producers participating in the diversion program to grow soybeans in lieu of feed grains and still receive the feed grain payments-in-kind. The Secretary would be authorized to provide for distributing the payment-in-kind certificates on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the feed grain crop. This would permit taking into account the respective contributions of each producer on the farm in reducing feed grain. The Secretary would be authorized to make payments-in-kind, with adjustments in the amount thereof, even though there is a failure to comply fully with the program. If an acreage diversion program is not in effect, existing law provides that price support for corn shall be not less than 50 or more than 90 per centum of parity as will not result in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats and rye.

Section 202. This section provides for a feed grain acreage diversion program which would be similar to that in effect for 1964 and 1965 with some changes. The limitation on payments of 50 per centum of the price support rate would be removed. The Secretary could permit the diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed and flax, if he determined that such

production of the commodity is needed, is not likely to increase the cost of the price support program, and will not adversely affect farm income. The program would be limited to corn, grain sorghums and, if designated by the Secretary, barley. The payment limitation of 20 per centum of the fair market value with respect to acreage involved in the program would be removed. The malting barley exemption would be removed. The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

Section 203. This section would amend section 326 of the Food and Agriculture Act of 1962, which gave the Secretary authority to pay for performance rendered in reliance on erroneous advice of authorized representatives, to make it applicable to any program under which price support is extended or payments are made to farmers.

TITLE III - RICE

Section 301. This section of the bill authorizes a marketing certificate program for rice for two years--1966 and 1967--similar to the marketing certificate program for wheat. The program would be in effect if marketing quotas are in effect for rice. Producers would receive a marketing allocation on which marketing certificates would be issued equal to the number of hundredweights obtained by multiplying the estimated production on the allotted acres by the national allocation percentage which is the percentage of the rice crop estimated by the Secretary that will be used in the United States during the marketing year except for seed.

Provision is made for issuing additional certificates, to be financed by Commodity Credit Corporation, on the first 1500 hundredweight of each farmer's production. The first 500 hundredweights or less estimated to be produced on the allotted acres would receive certificates based on not less than the national allocation percentage or more than an allocation percentage of 55 per centum; the next 1,000 hundredweights of production would receive certificates based on not less than the national allocation percentage or more than an allocation percentage of 45 per centum; and production in excess of 1,500 hundredweights would receive certificates based on the national allocation percentage.

The rice marketing certificates issued with respect to any farm for any year could not exceed the actual acreage of rice planted for harvest multiplied by the projected yield of rice for the farm. The rice marketing certificates issued to any producer in any State or area where producer allotments are established could not exceed the actual acreage of rice planted by the producer in such State or area multiplied by the producer's projected yield. Producers would not be eligible to receive certificates with respect to any farm on which a marketing quota penalty is assessed for any commodity on the farm.

Marketing certificates would have a value per hundredweight equal to the difference between the price support on certificate rice and non-certificate rice.

Marketing certificates would be required to cover all rice processed in the United States and all processed rice imported into

the United States. The value of the certificates would be refunded on all processed rice exported from the United States. The Secretary would be authorized to exempt processors from the requirement to purchase certificates for (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial. Commodity Credit Corporation would be authorized to buy and sell marketing certificates.

The Secretary would be authorized to take such action as he determines would be necessary to facilitate the transition from the programs currently in effect to the marketing certificate program.

The bill authorizes the Secretary to require processors, exporters, importers, and warehousemen of rice and persons dealing in certificates to make reports and keep appropriate records. The Secretary is also authorized to prescribe such regulations as are necessary to carry out the provisions of the program.

Section 302. This section of the bill provides the same civil forfeitures and penalties for violations of the program as are provided with respect to the marketing certificate program for wheat.

Section 303. This section of the bill provides levels of price support for the 1966 and 1967 crops of rice. If a rice marketing allocation program is in effect, price support for rice with marketing certificates would be between 65 and 100 per centum of parity, and price support for non-certificate rice would be at such level not in excess of parity as the Secretary determines will provide orderly marketing of rice and retain an adequate share of the world market, taking into consideration the price of rice in world markets and the other factors specified in section 401(b) of the price support statute. Price support would be made available only to cooperators. If marketing quotas are not in effect, price support for rice would be as provided in section 101 of the Agricultural Act of 1949.

The minimum price for sales of rice from Commodity Credit Corporation stocks would be 105 per centum of the loan rate, plus reasonable carrying charges.

Section 304. This section would amend section 352 of the Agricultural Adjustment Act of 1938 so as to change the manner of computing national acreage allotment. The existing law is changed in the following respects. The national acreage allotment would be computed on the basis of the projected national yield instead of the national average yield. The minimum national acreage allotment would be the acreage required to produce 60,000,000 hundredweights instead of being fixed at 1,652,596 acres. The amount to be allowed for carryover would be "an adequate carryover" instead of 10 per centum of the estimated domestic consumption and exports.

Section 305. This section would repeal paragraph (6) of section 353(c) of the Agricultural Adjustment Act of 1938. Paragraph (6) provides that the national acreage allotment shall not be less than the acreage allotted for 1956, and that the national acreage allotment shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956.

Section 306. This section would add a new subsection (g) to section 353 of the Agricultural Adjustment Act of 1938 to protect tenants and sharecroppers from eviction or other mistreatment by their landlords. In event of such eviction or mistreatment by a landlord, the Secretary could, beginning with the 1965 crop, reduce the farm acreage allotment of the landlord.

TITLE IV - WOOL

Section 401. This section would amend the National Wool Act to extend the period during which price support may be made thereunder beyond its present termination date of March 31, 1966, to December 31, 1967. The bill would further amend that Act by deleting the presently stated policy of encouraging domestic production of 300,000,000 pounds of shorn wool, and the requirement that the support level be such as will result in a production of 360,000,000 pounds if such support level would not exceed 90 per centum of parity, and providing in lieu thereof a new policy of supporting wool at such level as will encourage domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production. Provision is made for three graduated levels of price support on wool based upon each producer's marketings during the marketing year. The first 2,000 pounds would be supported at not less than 75 or more than 90 per centum of parity, the next 5,000 pounds at not less than 70 or more than 85 per centum of parity and any excess over 7,000 pounds would be supported at not less than 65 or more than 80 per centum of parity. The price for mohair would be supported at such levels as the Secretary determines are necessary to maintain approximately the same levels of support for mohair as for wool. Mohair support prices would not deviate more than 15 per centum above or below the percentage of the parity price at which wool is supported.

TABLE IV - 1967

... This section would ...
The period during which ...
... present ...
... 31, 1967. The ...
... the present ...
... of 300,000 pounds of ...
... the support level ...
... 300,000 pounds if ...
... of parity, and ...
... of supporting ...
... of the ...
... at prices ...
... the adverse effect ...
... an increase in ...
... reduce the total ...
... vision is made for ...
... based upon each ...
... The first 2,000 ...
... more than 50 per ...
... less than 70 or ...
... over 7,000 pounds ...
... more than 80 per ...
... be supported at ...
... to maintain ...
... more than 15 per ...
... parity price at ...

TITLE V - CROPLAND ADJUSTMENT

Title V would extend the Soil Bank Act, with certain amendments, to authorize a long-term cropland adjustment program.

Section 501. In connection with the extension of the Soil Bank Act, this section would amend section 107 (1) to provide that the minimum contract period with producers shall be five years instead of three; (2) to authorize additional practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, recreational resources, and for the prevention of air and water pollution; (3) to prohibit grazing of acreage placed in the program except in the case of severe drought, flood, or other natural disaster; (4) to authorize only such forfeitures and refunds as the Secretary determines appropriate in the case of violations warranting termination of the contract (the present law requires forfeiture and refund of all payments under the contract); (5) to make it clear that the amount of cost-sharing for establishing vegetative cover or other uses can be based on the average cost of establishing such practice in the county or area; (6) to authorize the Secretary to make payments in a lump sum upon approval of the contract or in such installments as he determines desirable (the present law provides only for annual payments); (7) to clarify the authority of the Secretary to prescribe by regulation violations which are of such a nature as to defeat or substantially impair the purposes of the contract; and (8) to provide that the total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such county as the Secretary determines would not adversely affect the economy of the county.

Section 502. This section would authorize the Secretary to enter into contracts with producers during the period 1965 through 1970 to be carried out during the period ending not later than December 31, 1979. The period covered by any contract would be not less than five years or more than 10 years. The calendar year limitation of \$450,000,000 would be deleted to provide that contracts shall not be entered into which would require payments in any calendar year in excess of amounts specified in appropriation Acts.

Section 503. This section would (1) authorize the furnishing of conservation materials and services for the additional practices

and uses which would be authorized under the Act and (2) provide the Secretary with discretionary authority in requiring compliance with acreage allotments as a condition of eligibility for payments under the program.

Section 504. Under this section, the Secretary would be authorized (1) for the purpose of obtaining an increase in the permanent retirement of cropland to non-crop uses, to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities; and the prevention of air and water pollution; and (2) to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect and conserve open spaces, natural beauty, wildlife and recreational resources and prevent air and water pollution.

Section 505. This section would repeal section 123 of the Soil Bank Act which provides that any producer who knowingly and wilfully grazes or harvests any crop from any acreage in violation of a contract shall be subject to a civil penalty equal to 50 per centum of the compensation payable for compliance with such contract for the year in which the violation occurs.

Section 506. This section would provide authority for the Secretary to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to acreage which is devoted to vegetative cover and other approved uses. The present provisions for preservation of history under the Soil Bank Act and the Soil Conservation and Domestic Allotment Act (Great Plains and Cropland Conversion Programs) would be repealed, except that all rights accruing thereunder to producers with existing contracts would be preserved.

TITLE VI - TRANSFER OF ALLOTMENTS

Section 601. This section would authorize the sale or lease of acreage allotments, base acreages, acreage-poundage quotas, and sugar proportionate shares (hereinafter referred to as "allotment") whether determined on a farm or producer basis. The owner of a farm could transfer all or part of the allotment for the farm to another farm owned by him. As a prerequisite to authorization for transfer, the Secretary would have to determine that the effective operation of the program would not be impaired. No transfer would be permitted outside the State, from a farm subject to a mortgage or other lien unless agreed to by the lienholder, or until a copy of the transfer had been filed in the county ASCS office of the county to which transferred. The transfer of an allotment, base acreage, or proportionate share would include the acreage history and marketing quota attributable thereto. In the case of a transfer by lease, the allotment leased would, for purposes of determining allotments after expiration of the lease, be considered to have been planted on the farm from which leased. The Secretary could prescribe regulations for adjusting the size of the allotment transferred if the farm to which transferred had a substantially higher yield. He could also place reasonable limits on the size of resulting allotments on farms to which transfers were made. If the farm from which the transfer was made was covered by a conservation reserve contract, cropland conversion agreement, or other land utilization agreement, the rates of payment in the contract or agreement would be proportionately adjusted, but no similar adjustment would be made for the farm to which transferred.

Section 602. This section would repeal existing provisions of law authorizing leases of tobacco allotments and transfers of producer rice allotments.

89TH CONGRESS
1ST SESSION

S. 1702

IN THE SENATE OF THE UNITED STATES

APRIL 5, 1965

Mr. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

A BILL

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Food and Agriculture
4 Act of 1965".

5 TITLE I—WHEAT

6 SEC. 101. Effective beginning with the crop planted for
7 harvest in the calendar year 1966, the Agricultural Adjust-
8 ment Act of 1938, as amended, is amended as follows:

1 (1) Section 332 is amended by changing item (iv) in
2 subsection (b) to read: "will be utilized during such mar-
3 keting year in the United States as livestock (including poul-
4 try) feed, excluding the estimated quantity of wheat which
5 will be utilized for such purpose as a result of the substitution
6 of wheat for feed grains under section 328 of the Food and
7 Agriculture Act of 1962" and by adding the following new
8 subsection:

9 "(d) Notwithstanding any other provision of this Act,
10 the Secretary shall not proclaim a national marketing quota
11 for the crops of wheat planted for harvest in the calendar
12 years 1966 and 1967, and farm marketing quotas shall
13 not be in effect for such crops of wheat."

14 (2) Section 333 is amended to read as follows: "The
15 Secretary shall proclaim a national acreage allotment for
16 each crop of wheat. The amount of the national acreage
17 allotment for any crop of wheat shall be the number of
18 acres which the Secretary determines on the basis of the pro-
19 jected national yield and expected underplantings (acreage
20 other than that not harvested because of program incentives)
21 of farm acreage allotments will produce an amount of wheat
22 equal to the national marketing quota for wheat for the
23 marketing year for such crop or, if a national marketing
24 quota was not proclaimed, the quota which would have been
25 determined if one had been proclaimed. The Secretary

1 may, in his discretion, adjust such national acreage allot-
2 ment as he determines necessary to assure the maintenance
3 of adequate but not excessive stocks in the United States.”

4 (3) Subsection (a) of section 334 is amended to read
5 as follows:

6 “(a) The national allotment for wheat, less a reserve
7 of not to exceed one per centum thereof for apportionment
8 as provided in this subsection and less the special acreage
9 reserve provided for in this subsection, shall be apportioned
10 by the Secretary among the States on the basis of the pre-
11 ceding year’s allotment for each such State, including for
12 1966 the increased acreage in the State allotted for 1965
13 under section 335, adjusted to the extent deemed necessary
14 by the Secretary to establish a fair and equitable apportion-
15 ment base for each State, taking into consideration estab-
16 lished crop-rotation practices, estimated decrease in farm
17 allotments because of loss of history, and other relevant fac-
18 tors. The reserve acreage set aside herein for apportionment
19 by the Secretary shall be used to make allotments to counties
20 in addition to the county allotments made under subsection
21 (b) of this section, on the basis of the relative needs of coun-
22 ties for additional allotments because of reclamation and
23 other new areas coming into production of wheat. There
24 also shall be made available a special acreage reserve of
25 not in excess of one million acres as determined by the Sec-

1 retary to be desirable for the purposes hereof which shall
2 be in addition to the national acreage reserve provided for
3 in this subsection. Such special acreage reserve shall be
4 made available to the States to make additional allotments
5 to counties on the basis of the relative needs of counties, as
6 determined by the Secretary, for additional allotments to
7 make adjustments in the allotments on old wheat farms (i.e.,
8 farms on which wheat has been seeded or regarded as seeded
9 to one or more of the three crops immediately preceding
10 the crop for which the allotment is established) on which the
11 ratio of wheat acreage allotment to cropland on the farm is
12 less than one-half the average ratio of wheat acreage allot-
13 ment to cropland on old wheat farms in the county. Such
14 adjustments shall not provide an allotment for any farm
15 which would result in an allotment-cropland ratio for the
16 farm in excess of one-half of such county average ratio and
17 the total of such adjustments in any county shall not exceed
18 the acreage made available therefor in the county. Such
19 apportionment from the special acreage reserve shall be
20 made only to counties where wheat is a major income-pro-
21 ducing crop, only to farms on which there is limited oppor-
22 tunity for the production of an alternative income-producing
23 crop, and only if an efficient farming operation on the farm
24 requires the allotment of additional acreage from the special
25 acreage reserve. For the purposes of making adjustments

1 hereunder the cropland on the farm shall not include any
2 land developed as cropland subsequent to the 1963 crop
3 year.”

4 (4) Subsection (b) of section 334 is amended to read
5 as follows:

6 “(b) The State acreage allotment for wheat, less a
7 reserve of not to exceed 3 per centum thereof for appor-
8 tionment as provided in subsection (c) of this section, shall be
9 apportioned by the Secretary among the counties in the
10 State, on the basis of the preceding year’s wheat allotment
11 in each such county, including for 1966 the increased
12 acreage in the county allotted for 1965 pursuant to section
13 335, adjusted to the extent deemed necessary by the Secre-
14 tary in order to establish a fair and equitable apportionment
15 base for each county, taking into consideration established
16 crop-rotation practices, estimated decrease in farm allotments
17 because of loss of history, and other relevant factors.”

18 (5) Subsection (c) of section 334 is amended by add-
19 ing new paragraphs (3) and (4) to read as follows:

20 “(3) Notwithstanding the provisions of paragraph (1)
21 of this subsection, the past acreage of wheat for 1966 and
22 any subsequent year shall be the acreage of wheat planted,
23 plus the acreage regarded as planted, for harvest as grain
24 on the farm which is not in excess of the farm acreage allot-
25 ment.

1 “(4) Notwithstanding any other provision of this sub-
2 section (c), the farm acreage allotment for the 1966 and any
3 subsequent crop of wheat shall be established for each old
4 farm by apportioning the county wheat acreage allotment
5 among farms in the county on which wheat has been planted,
6 or is considered to have been planted, for harvest as grain
7 in any one of the three years immediately preceding the
8 year for which allotments are determined on the basis of
9 past acreage of wheat and the farm acreage allotment for
10 the year immediately preceding the year for which the
11 allotment is being established, adjusted as hereinafter pro-
12 vided. For purposes of this paragraph, the acreage allot-
13 ment for the immediately preceding year may be adjusted to
14 reflect established crop-rotation practices, may be adjusted
15 downward to reflect a reduction in the tillable acreage on the
16 farm, and may be adjusted to reflect such other factors as
17 the Secretary determines should be considered for the pur-
18 pose of establishing a fair and equitable allotment: *Provided*,
19 That (i) for purposes of computing the 1966 allotment for
20 any farm not in compliance with its 1964 farm acreage allot-
21 ment, the 1965 acreage allotment shall be reduced by 7
22 per centum; (ii) for the purposes of computing the allot-
23 ment for any year, the acreage allotment for the farm for the
24 immediately preceding year shall be decreased by 7 per
25 centum if for the year immediately preceding the year for

1 which such reduction is made neither a voluntary diversion
2 program nor a certificate program was in effect and there
3 was noncompliance with the farm acreage allotment for such
4 year; and (iii) for purposes of clause (ii), any farm on
5 which the entire amount of farm marketing excess is de-
6 livered to the Secretary, stored, or adjusted to zero in ac-
7 cordance with applicable regulations to avoid or postpone
8 payment of the penalty when farm marketing quotas are in
9 effect, shall be considered in compliance with the allotment,
10 but if any part of the amount of wheat so stored is later de-
11 pleted and penalty becomes due by reason of such depletion,
12 the allotment for such farm next computed after determina-
13 tion of such depletion shall be reduced by reducing the allot-
14 ment for the immediately preceding year by 7 per centum.”

15 (6) Subsection (d) of section 334 is repealed.

16 (7) Subsection (g) of section 334 is amended by strik-
17 ing out the language “except as prescribed in the provisos
18 to the first sentence of subsections (a) and (b), respec-
19 tively, of this section” in the first sentence.

20 (8) Section 335 is amended by adding at the end
21 thereof the following: “This section shall not be applicable
22 to the crops planted for harvest in 1966 and subsequent
23 years.”

24 (9) Section 339 (b) is amended (1) by striking out
25 “1964 and 1965 crops of wheat” and substituting “crops of

1 wheat planted for harvest in the calendar years 1964 through
2 1967", (2) by striking out of the first sentence "payments
3 may be made in amounts not in excess of 50 per centum of
4 the estimated basic county support rate for wheat not ac-
5 companied by marketing certificates on the normal produc-
6 tion of the acreage diverted taking into account the income
7 objectives of the Act, determined by the Secretary to be
8 fair and reasonable with respect to acreage diverted pur-
9 suant to subsection (a) of this section" and substituting
10 "payments may be made with respect to acreage diverted
11 at such rate or rates as the Secretary determines will pro-
12 vide producers with a fair and reasonable return for the
13 acreage diverted, taking into consideration the loss of pro-
14 duction on such acreage based on the projected farm yield,
15 any savings in cost which result from such diversion, the
16 incentive necessary to obtain participation in the program,
17 and the income objectives of the Act", and (3) by striking
18 out of the third sentence "20 per centum of the farm acre-
19 age allotment" and "fifteen acres" and substituting "50
20 per centum of the farm acreage allotment" and "twenty-five
21 acres", respectively.

22 (10) Section 339 (e) is amended to read as follows:
23 "The Secretary may permit all or any part of the diverted
24 acreage to be devoted to the production of guar, sesame,
25 safflower, sunflower, castor beans, mustard seed, soybeans

1 and flax, if he determines that such production of the com-
2 modity is needed to provide an adequate supply, is not likely
3 to increase the cost of the price support program and will not
4 adversely affect farm income, subject to the condition that
5 payment with respect to diverted acreage devoted to any
6 such crop shall be at a rate determined by the Secretary to
7 be fair and reasonable taking into consideration the use of
8 such acreage for the production of such crops: *Provided*, That
9 in no event shall the payment exceed one-half the rate which
10 otherwise would be applicable if such acreage were devoted
11 to conservation uses.”

12 (11) Section 377 is amended by deleting from the first
13 sentence the language in parentheses and by changing the
14 colon before the first proviso of such sentence to a period and
15 striking out the remainder of such sentence.

16 (12) Section 379c is amended by adding the following
17 new subsection:

18 “(e) Notwithstanding any other provision of law, the
19 amount of certificates issued with respect to any farm may
20 be adjusted by the Secretary for failure of a producer to com-
21 ply fully with the terms and conditions of the program formu-
22 lated under this subtitle.”

23 SEC. 102. Effective only with respect to the crops of
24 wheat planted for harvest in the calendar years 1966 and

1 1967, and the marketing years for such crops, section 379b
2 is amended to read as follows:

3 "SEC. 379b. A wheat marketing allocation program as
4 provided in this subtitle shall be in effect for the marketing
5 years for the crops planted for harvest in the calendar years
6 1966 and 1967. Whenever a wheat marketing allocation
7 program is in effect for any marketing year the Secretary
8 shall determine (1) the wheat marketing allocation for such
9 year which shall be (i) the amount of wheat he estimates
10 will be used during such year for food products for consump-
11 tion in the United States and (ii) that portion of the amount
12 of wheat which he estimates will be exported in the form of
13 wheat or products thereof during the marketing year on
14 which the Secretary determines that marketing certificates
15 shall be issued to producers in order to achieve, insofar as
16 practicable, the price and income objectives of this subtitle,
17 and (2) the national allocation percentage for such year
18 which shall be the percentage which the national marketing
19 allocation is of the amount of the national marketing quota
20 for wheat that would be determined for such marketing year
21 if a national marketing quota for such year had been pro-
22 claimed less the expected production on the acreage allot-
23 ments for farms which will not be in compliance with the
24 requirements of the program. Each farm shall receive a
25 wheat marketing allocation for such marketing year equal to

1 the number of bushels obtained by multiplying the number
2 of acres in the farm acreage allotment for wheat by the
3 projected farm yield, and multiplying the resulting number
4 of bushels by the national allocation percentage.”

5 SEC. 103. Effective beginning with the 1968 crop, sec-
6 tion 379b is amended by striking out “normal yield of wheat
7 for the farm as determined by the Secretary” and substituting
8 “projected farm yield”.

9 SEC. 104. (a) Effective upon the enactment of this Act,
10 section 379d (b) is amended by striking out the third sen-
11 tence and substituting the following: “The Secretary may
12 exempt from the requirements of this subsection wheat ex-
13 ported for donation abroad and other noncommercial exports
14 of wheat, wheat processed for use on the farm where grown,
15 wheat produced by a State or agency thereof and processed
16 for use by the State or agency thereof, wheat processed for
17 donation, and wheat processed for uses determined by the
18 Secretary to be noncommercial. Such exemptions may be
19 made applicable with respect to any wheat processed or
20 exported beginning July 1, 1964. There shall be exempt
21 from the requirements of this subsection beverage distilled
22 from wheat prior to July 1, 1964. A beverage distilled from
23 wheat after July 1, 1964, shall be deemed to be removed
24 for sale or consumption at the time it is placed in barrels for
25 aging. Wheat shipped to a Canadian port for storage in

1 bond, or storage under a similar arrangement, and subse-
2 quent exportation, shall be deemed to have been exported
3 for purposes of this subsection when it is exported from the
4 Canadian port.”

5 (b) Section 379d (d) is amended to read as follows:

6 “(d) As used in this subtitle, the term ‘food products’
7 means any product composed wholly or partly of wheat to
8 be used for human consumption, including beverage, as deter-
9 mined by the Secretary.”

10 This subsection shall be effective as to food products
11 sold, or removed for sale or consumption on or after sixty
12 days following enactment of this Act, unless the Secretary
13 shall by regulation designate an earlier effective date within
14 such sixty-day period.

15 SEC. 105. The Agricultural Act of 1964 is amended as
16 follows:

17 (1) Amendment (7) of section 202 is amended by strik-
18 ing out “1964 and 1965” and substituting “the calendar
19 years 1964 through 1967”.

20 (2) Amendment (13) of section 202 is amended by
21 striking out “only with respect to the crop planted for har-
22 vest in the calendar year 1965” and substituting “with re-
23 spect to the crops planted for harvest in the calendar years
24 1965 through 1967”.

1 (3) Section 204 is amended by striking out “1964 and
2 1965” and substituting “1964 through 1967”.

3 SEC. 106. Effective beginning with the 1966 crop, sec-
4 tion 107 of the Agricultural Act of 1949, as amended, is
5 amended to read as follows:

6 “SEC. 107. Notwithstanding the provisions of section
7 101 of this Act, beginning with the 1966 crop—

8 “(1) Whenever a wheat marketing allocation program
9 is in effect, (a) price support for wheat accompanied by do-
10 mestic certificates shall be at such level, not less than 65
11 per centum or more than 100 per centum of the parity price
12 therefor, as the Secretary determines, (b) price support for
13 wheat accompanied by export certificates shall be at such
14 level, not in excess of the parity price therefor, as the Secre-
15 tary determines, and (c) price support for wheat not accom-
16 panied by marketing certificates shall be at such level, not
17 in excess of the parity price therefor, as the Secretary deter-
18 mines appropriate, taking into consideration competitive
19 world prices of wheat, the feeding value of wheat in rela-
20 tion to feed grains, and the level at which price support is
21 made available for feed grains.

22 “(2) Whenever a wheat marketing allocation program
23 is not in effect, the level of price support for any crop of
24 wheat for which a national marketing quota is not pro-

1 claimed or for which marketing quotas have been disap-
2 proved by producers shall be as provided in section 101.

3 “(3) A ‘cooperator’ with respect to any crop of wheat
4 produced on a farm shall be a producer who (i) does not
5 knowingly exceed (A) the farm acreage allotment for wheat
6 on the farm or (B) except as the Secretary may by regu-
7 lation prescribe, the farm acreage allotment for wheat on any
8 other farm on which the producer shares in the production
9 of wheat, and (ii) complies with the land-use requirements
10 of section 339 of the Agricultural Adjustment Act of 1938,
11 as amended, to the extent prescribed by the Secretary. No
12 producer shall be deemed to have exceeded a farm acreage
13 allotment for wheat if the entire amount of the farm mar-
14 keting excess is delivered to the Secretary or stored in accord-
15 ance with applicable regulations to avoid or postpone pay-
16 ment of the penalty, but the producer shall not be eligible
17 to receive price support on such marketing excess. No pro-
18 ducer shall be deemed to have exceeded a farm acreage
19 allotment for wheat if the production on the acreage in excess
20 of the farm acreage allotment is stored pursuant to the
21 provisions of section 379c (b) , but the producer shall not be
22 eligible to receive price support on the wheat so stored.”

23 SEC. 107. Effective beginning with the crop planted for
24 harvest in the calendar year 1966, section 339 (a) of the
25 Agricultural Adjustment Act of 1938, as amended, is

1 amended by inserting after the words “national acreage
2 allotment”, wherever they appear, the following: “(less
3 an acreage equal to the increased acreage allotted for 1965
4 pursuant to section 335)”.

5 SEC. 108. Effective beginning with the crop planted for
6 harvest in the calendar year 1966, section 379c(a) of the
7 Agricultural Adjustment Act of 1938, as amended, is
8 amended by amending the third sentence to read as follows:
9 “The Secretary shall provide for the sharing of wheat mar-
10 keting certificates among producers on the farm on a fair
11 and equitable basis.”, and by adding at the end thereof the
12 following: “An acreage on the farm not planted to wheat
13 because of drought, flood, or other natural disaster shall be
14 deemed to be an actual acreage of wheat planted for har-
15 vest for purposes of this subsection.”

16 SEC. 109. Section 301(b) of the Agricultural Adjust-
17 ment Act of 1938, as amended, is amended as follows:

18 (1) Paragraph (8) is amended by inserting “(A)”
19 after “(8)” and adding the following new subparagraph:

20 “(B) ‘Projected national yield’ as applied to any
21 crop of rice or wheat shall be determined on the basis
22 of the national yield per harvested acre of the commod-
23 ity during each of the five calendar years immediately
24 preceding the year in which such projected national
25 yield is determined, adjusted for abnormal weather con-

1 ditions affecting such yield, for trends in yields and for
2 any significant changes in production practices.”

3 (2) Paragraph (13) is amended by adding the follow-
4 ing new subparagraphs:

5 “(J) ‘Projected county yield’ for any crop of rice or
6 wheat shall be determined on the basis of the yield per har-
7 vested acre of such crop in the county during each of the
8 five calendar years immediately preceding the year in which
9 such projected county yield is determined, adjusted for ab-
10 normal weather conditions affecting such yield, for trends in
11 yields and for any significant changes in production practices.

12 “(K) ‘Projected farm yield’ for any crop of rice or
13 wheat shall be determined on the basis of the yield per har-
14 vested acre of such crop on the farm during each of the three
15 calendar years immediately preceding the year in which such
16 projected farm yield is determined, adjusted for abnormal
17 weather conditions affecting such yield, for trends in yields
18 and for any significant changes in production practices.”

19 SEC. 110. (a) Section 379c (b) of the Agricultural Ad-
20 justment Act of 1938, as amended, is amended, effective
21 beginning with the 1966 crop, by striking out of the fifth
22 sentence the words “normal yield of wheat per acre estab-
23 lished for the farm” and substituting therefor the words
24 “projected farm yield”.

25 (b) Section 379i of the Agricultural Adjustment Act of

1 1938, as amended, is amended, effective as of the effective
2 date of the original enactment of the section, by inserting in
3 subsections (a) and (b) after the word "who". wherever it
4 appears, the word "knowingly".

5 SEC. 111. (a) Effective beginning with the crop planted
6 for harvest in 1966, paragraph (9) of section 301 (b) of the
7 Agricultural Adjustment Act of 1938, as amended, is
8 amended to read as follows:

9 " (9) 'Normal production' as applied to any number of
10 acres of rice or wheat means the projected farm yield times
11 such number of acres and, as applied to any number of acres
12 of cotton, means the normal yield for the farm times such
13 number of acres."

14 (b) Public Law 74, Seventy-seventh Congress, as
15 amended, is amended by changing the words "normal yield
16 of wheat per acre established for the farm" in paragraph (1)
17 to the words "projected farm yield".

18 TITLE II—FEED GRAINS

19 SEC. 201. Section 105 of the Agricultural Act of 1949,
20 as amended, is amended by adding the following new sub-
21 section (e) :

22 " (e) For the 1966 and 1967 crops of feed grains, the
23 Secretary shall require as a condition of eligibility for price
24 support on the crop of any feed grain which is included in

1 any acreage diversion program formulated under section 16
2 (i) of the Soil Conservation and Domestic Allotment Act, as
3 amended, that the producer shall participate in the diver-
4 sion program to the extent prescribed by the Secretary, and,
5 if no diversion program is in effect for any crop, he may re-
6 quire as a condition of eligibility for price support on such
7 crop of feed grains that the producer shall not exceed his feed
8 grain base. In addition to price support provided under sub-
9 sections (a) and (b) of this section, which shall be made
10 available through loans and purchases, for any feed grain
11 included in the acreage diversion program, a payment-in-
12 kind may be made available to producers in such amount or
13 amounts as the Secretary determines desirable to assure that
14 the benefits of the price support and diversion programs
15 inure primarily to those producers who cooperate in reducing
16 their acreages of feed grains, and to take into account the
17 extent of participation by the producer. Such payments-in-
18 kind shall be made on such part of the acreage of such feed
19 grain planted on the farm for harvest as the Secretary deter-
20 mines desirable to effectuate the purposes of the program:
21 *Provided*, That for purposes of such payments, the Secretary
22 may permit producers of feed grains to have acreage devoted
23 to soybeans considered as devoted to the production of feed
24 grains to such extent and subject to such terms and condi-
25 tions as the Secretary determines will not impair the effective

1 operation of the price support program. The Secretary may
2 make not to exceed 50 per centum of any payments here-
3 under to producers in advance of determination of perform-
4 ance. Payments-in-kind shall be made through the issuance
5 of negotiable certificates which the Commodity Credit Cor-
6 poration shall redeem for feed grains (such feed grains to be
7 valued by the Secretary at not less than the current support
8 price made available through loans and purchases, plus rea-
9 sonable carrying charges) in accordance with regulations
10 prescribed by the Secretary and, notwithstanding any other
11 provision of law, the Commodity Credit Corporation shall,
12 in accordance with regulations prescribed by the Secretary,
13 assist the producer in the marketing of such certificates.
14 The Secretary shall provide for the sharing of such certifi-
15 cates among producers on the farm on a fair and equitable
16 basis. If the operator of the farm elects to participate in the
17 acreage diversion program, price support for feed grains in-
18 cluded in the program shall be made available to the pro-
19 ducers on such farm only if such producers divert from the
20 production of such feed grains, in accordance with the pro-
21 visions of such program, an acreage on the farm equal to
22 the number of acres which such operator agrees to divert,
23 and the agreement shall so provide. Notwithstanding any
24 other provision of law, payments in kind under this sub-
25 section (e) and subsection (d) of this section may be

1 adjusted by the Secretary for failure of a producer to comply
2 fully with the terms and conditions of the programs formu-
3 lated under such subsections and section 16 of the Soil Con-
4 servation and Domestic Allotment Act, as amended."

5 SEC. 202. Section 16 of the Soil Conservation and Do-
6 mestic Allotment Act, as amended, is amended by adding
7 the following new subsection:

8 "(i) Notwithstanding any other provision of law—

9 "(1) For the 1966 and 1967 crops of feed grains,
10 if the Secretary determines that the total supply of
11 feed grains will, in the absence of an acreage diversion
12 program, likely be excessive, taking into account the
13 need for an adequate carryover to maintain reasonable
14 and stable supplies and prices of feed grains and to meet
15 any national emergency, he may formulate and carry
16 out an acreage diversion program for feed grains, with-
17 out regard to provisions which would be applicable to
18 the regular agricultural conservation program, under
19 which, subject to such terms and conditions as the
20 Secretary determines, conservation payments shall be
21 made to producers who divert acreage from the pro-
22 duction of feed grains to an approved conservation use
23 and increase their average acreage of cropland devoted
24 in 1959 and 1960 to designated soil-conserving crops
25 or practices including summer fallow and idle land by

1 an equal amount. Payments shall be made at such rate
2 or rates as the Secretary determines will provide pro-
3 ducers with a fair and reasonable return for the acreage
4 diverted, taking into consideration the loss of produc-
5 tion on such acreage, any savings in cost which result
6 from such diversion, the incentive necessary to achieve
7 the acreage reduction goal, and the payments in kind
8 made available under section 105 (e) of the Agricultural
9 Act of 1949, as amended. Notwithstanding the forego-
10 ing provisions, the Secretary may permit all or any
11 part of such diverted acreage to be devoted to the pro-
12 duction of guar, soybeans, sesame, safflower, sunflower,
13 castor beans, mustard seed and flax, if he determines
14 that such production of the commodity is needed to
15 provide an adequate supply, is not likely to increase the
16 cost of the price support program and will not adversely
17 affect farm income subject to the condition that payment
18 with respect to diverted acreage devoted to any such
19 crop shall be at a rate determined by the Secretary to
20 be fair and reasonable, taking into consideration the
21 use of such acreage for the production of such crops, but
22 in no event shall the payment exceed one-half the rate
23 which otherwise would be applicable if such acreage
24 were devoted to conservation uses. The term 'feed

1 grains' means corn, grain sorghums, and, if designated
2 by the Secretary, barley. Such feed grain diversion pro-
3 gram shall require the producer to take such measures
4 as the Secretary may deem appropriate to keep such
5 diverted acreage free from erosion, insects, weeds, and
6 rodents. The acreage eligible for participation in the
7 program shall be such acreage (not to exceed 50 per
8 centum of the average acreage on the farm devoted to
9 feed grains in the crop years 1959 and 1960 or twenty-
10 five acres, whichever is greater) as the Secretary de-
11 termines necessary to achieve the acreage reduction goal
12 for the crop. Payments shall be made in kind. The
13 acreage of wheat produced on the farm during the
14 crop years 1959, 1960, and 1961, pursuant to the ex-
15 emption provided in section 335 (f) of the Agricultural
16 Adjustment Act of 1938, as amended, prior to its repeal
17 by the Food and Agriculture Act of 1962, in excess of
18 the small farm base acreage for wheat established under
19 section 335 of the Agricultural Adjustment Act of 1938,
20 as amended, may be taken into consideration in estab-
21 lishing the feed grain base acreage for the farm. The
22 Secretary may make such adjustments in acreage as
23 he determines necessary to correct for abnormal factors
24 affecting production, and to give due consideration to
25 tillable acreage, crop-rotation practices, types of soil,

1 soil and water conservation measures, and topography.

2 Notwithstanding any other provision of this subsection.

3 (i) (1), the Secretary may, upon unanimous request
4 of the State committee established pursuant to section
5 8 (b) of the Soil Conservation and Domestic Allotment
6 Act, as amended, adjust the feed grain bases for farms
7 within any State or county to the extent he determines
8 such adjustment to be necessary in order to establish
9 fair and equitable feed grain bases for farms within such
10 State or county. The Secretary may make not to exceed
11 50 per centum of any payments to producers in advance
12 of determination of performance.

13 “(2) Notwithstanding any other provision of this
14 subsection, not to exceed 1 per centum of the estimated
15 total feed grain bases for all farms in a State for any
16 year may be reserved from the feed grain bases estab-
17 lished for farms in the State for apportionment to farms
18 on which there were no acreages devoted to feed grains
19 in the crop years 1959 and 1960 on the basis of the
20 following factors: Suitability of the land for the pro-
21 duction of feed grains, the past experience of the farm
22 operator in the production of feed grains, the extent to
23 which the farm operator is dependent on income from
24 farming for his livelihood, the production of feed grains
25 on other farms owned, operated, or controlled by the

1 farm operator, and such other factors as the Secretary
2 determines should be considered for the purpose of estab-
3 lishing fair and equitable feed grain bases. An acreage
4 equal to the feed grain base so established for each farm
5 shall be deemed to have been devoted to feed grains on
6 the farm in each of the crop years 1959 and 1960 for
7 purposes of this subsection except that producers on such
8 farm shall not be eligible for conservation payments for
9 the first year for which the feed grain base is established.

10 “(3) There are hereby authorized to be appropri-
11 ated such amounts as may be necessary to enable the
12 Secretary to carry out this section 16 (i).

13 “(4) The Secretary shall provide by regulations for
14 the sharing of payments under this subsection among
15 producers on the farm on a fair and equitable basis and
16 in keeping with existing contracts.

17 “(5) Payments in kind shall be made through the
18 issuance of negotiable certificates which the Commodity
19 Credit Corporation shall redeem for feed grains in ac-
20 cordance with regulations prescribed by the Secretary
21 and, notwithstanding any other provision of law, the
22 Commodity Credit Corporation shall, in accordance with
23 regulations prescribed by the Secretary, assist the pro-
24 ducer in the marketing of such certificates. Feed grains
25 with which Commodity Credit Corporation redeems cer-

1 tificates pursuant to this paragraph shall be valued at not
2 less than the current support price made available
3 through loans and purchases, plus reasonable carrying
4 charges.

5 “(6) Notwithstanding any other provision of law,
6 the Secretary may, by mutual agreement with the pro-
7 ducer, terminate or modify any agreement previously
8 entered into pursuant to this subsection if he determines
9 such action necessary because of an emergency created
10 by drought or other disaster, or in order to prevent or
11 alleviate a shortage in the supply of feed grains.”

12 SEC. 203. Section 326 of the Food and Agriculture Act
13 of 1962, as amended, is amended by deleting the language
14 beginning with “the requirements” and ending with “Agri-
15 cultural Act of 1961, and” and substituting therefor “the
16 requirements of any program under which price support is
17 extended or payments are made to farmers, and price sup-
18 port may be extended or”.

19 TITLE III—RICE

20 SEC. 301. The Agricultural Adjustment Act of 1938,
21 as amended, is amended by striking out sections 380a through
22 380p and substituting the following:

23 “SEC. 380a. The movement of rice from producer to
24 consumer is preponderantly in interstate and foreign com-

1 merce, and the small quantity of rice which does not move
2 in interstate or foreign commerce affects such commerce.
3 Unreasonably low prices of rice to producers impair their
4 purchasing power for nonagricultural products and place
5 them in a position of serious disparity with other industrial
6 groups. The conditions affecting the production of rice are
7 such that without Federal assistance, producers cannot effec-
8 tively prevent disastrously low prices for rice. It is necessary
9 in order to assist rice producers in obtaining fair prices, to
10 regulate the price of rice in the manner provided in this sub-
11 title.

12 "RICE MARKETING ALLOCATION

13 "SEC. 380b. If marketing quotas are in effect for rice for
14 the 1966 or 1967 crop, a rice marketing allocation program
15 for the marketing year for such crop shall be in effect as pro-
16 vided in this subtitle. Whenever a rice marketing allocation
17 program is in effect for any marketing year, the Secretary
18 shall determine (1) the rice marketing allocation for such
19 year which shall be the amount of rice which in determining
20 the national acreage allotment for such year he estimated
21 would be used for domestic consumption except for seed, and
22 (2) the national allocation percentage which shall be the
23 percentage which the national marketing allocation is of the
24 amount of rice determined by multiplying the national acre-
25 age allotment by the projected national yield. Each farm

1 shall receive a rice marketing allocation for such marketing
 2 year equal to the number of hundredweights obtained by
 3 multiplying the number of acres in the farm acreage allot-
 4 ment for rice by the projected farm yield of rice, and multiply-
 5 ing the resulting number of hundredweights by the allocation
 6 percentages established by the Secretary within the ranges
 7 prescribed in the schedule below: *Provided*, That in any
 8 State or administrative area in which farm rice acreage allot-
 9 ments are determined on the basis of past production of rice
 10 by the producers on the farm, each producer shall receive a
 11 rice marketing allocation determined by multiplying the
 12 producer's rice acreage allotment for such State or area by
 13 his projected yield of rice, as determined by the Secretary,
 14 and by multiplying the result of such allocation percentages.

Estimated production on allotted acres
 (allotment multiplied by projected
 yield) :

Allocation percentage

First 500 hundredweights and
 less.

Not less than national allocation per-
 centage or more than 55 per
 centum.

501 hundredweights to 1,500
 hundredweights, inclusive.

Not less than national allocation per-
 centage or more than 45 per
 centum.

More than 1,500 hundred-
 weights.

National allocation percentage.

15 The additional rice marketing certificates issued to producers
 16 as a result of using allocation percentages in excess of the
 17 national allocation percentage shall be financed by the Com-
 18 modity Credit Corporation. The acreage allotment referred
 19 to in this section shall be the acreage allotment established

1 under section 353 (b) before any of such allotment is vol-
2 untarily surrendered or such allotment is increased by any
3 reapportioned allotment as provided in section 353 (e) of
4 this Act.

5 "MARKETING CERTIFICATES

6 "SEC. 380c. (a) The Secretary shall provide for the
7 issuance of rice marketing certificates for each marketing
8 year for which a rice marketing allocation program is in
9 effect for the purpose of enabling producers on any farm
10 with respect to which certificates are issued to receive, in
11 addition to the other proceeds from the sale of rice, an
12 amount equal to the value of such certificates. The rice
13 marketing certificates issued with respect to any farm for
14 any marketing year shall be in the amount of the farm rice
15 marketing allocation for such year, but not to exceed the
16 actual acreage of rice planted on the farm for harvest in
17 the calendar year in which the marketing year begins mul-
18 tiplied by the projected yield of rice for the farm as deter-
19 mined by the Secretary. The rice marketing certificates
20 issued to any producer for any marketing year in any State
21 or administrative area where producer allotments are estab-
22 lished shall be in the amount of the producer's rice market-
23 ing allocation for such year, but not to exceed the actual
24 acreage of rice planted by the producer in such State or

1 area for harvest in the calendar year in which the marketing
2 year begins multiplied by the producer's projected yield as
3 determined by the Secretary. The Secretary shall provide
4 for the sharing of rice marketing certificates among pro-
5 ducers on the farm on a fair and equitable basis.

6 “(b) No producer shall be eligible to receive rice mar-
7 keting certificates with respect to any farm for any market-
8 ing year in which a marketing quota penalty is assessed for
9 any commodity on such farm.

10 “(c) Whenever a rice marketing allocation program is
11 in effect for any marketing year, the Secretary shall deter-
12 mine and proclaim for such marketing year the face value per
13 hundredweight of marketing certificates which shall be equal
14 to the amount by which the level of price support for rice
15 accompanied by certificates (certificate rice) exceeds the
16 level of price support for rice not accompanied by certificates
17 (noncertificate rice).

18 “(d) Marketing certificates and transfers thereof shall
19 be represented by such documents, marketing cards, records,
20 accounts, certifications, or other statements or forms as the
21 Secretary may prescribe.

22 “(e) Notwithstanding any other provision of this Act,
23 the amount of certificates issued with respect to any farm

1 may be adjusted by the Secretary for failure of a producer to
2 comply fully with the terms and conditions of the program
3 formulated under this subtitle.

4 "MARKETING RESTRICTIONS

5 "SEC. 380d. (a) Marketing certificates shall be trans-
6 ferable only in accordance with regulations prescribed by the
7 Secretary. Any unused certificates legally held by any per-
8 son shall be purchased by Commodity Credit Corporation if
9 tendered to the Corporation for purchase in accordance with
10 regulations prescribed by the Secretary.

11 "(b) During any marketing year for which a rice
12 marketing allocation program is in effect, all persons en-
13 gaged in the processing of rice in the United States shall,
14 prior to marketing any processed rice or removing proc-
15 essed rice for sale or consumption, acquire marketing certifi-
16 cates equivalent to the number of hundredweights of rice
17 from which such processed rice was obtained, as determined
18 by the Secretary of Agriculture. [The requirements of this
19 subsection shall not be applicable to rice which is both
20 produced and processed in Puerto Rico or in any State for
21 which no acreage allotment is established under section 353
22 of this Act. The Secretary may exempt from the require-
23 ments of this subsection (i) rice processed for donation,
24 (ii) rice processed for use on the farm where grown, (iii)
25 rice produced by a State or agency thereof and processed for

1 use by the State or agency thereof, and (iv) rice processed
2 for uses determined by the Secretary to be noncommercial.
3 Marketing certificates shall be valid to cover only sales or
4 removals for sale or consumption made during the marketing
5 year with respect to which they are issued, and after being
6 once used to cover a sale or removal for sale or consumption
7 shall be void and shall be disposed of in accordance with
8 regulations prescribed by the Secretary. Notwithstanding
9 the foregoing provisions hereof, the Secretary may require
10 marketing certificates issued for any marketing year to be
11 acquired to cover sales or removals made on or after the
12 date during the calendar year in which rice harvested in
13 such calendar year begins to be marketed as determined by
14 the Secretary even though such rice is marketed prior to
15 the beginning of the marketing year, and marketing certifi-
16 cates for such marketing year shall be valid to cover sales
17 or removals made on or after the date so determined by the
18 Secretary.)

19 “(c) Upon the exportation from the United States of
20 any processed rice with respect to which certificates were
21 acquired, the Commodity Credit Corporation shall pay to
22 the exporter an amount equal to the value of the certificates
23 for the rough rice equivalent of such processed rice. Such
24 payments may be in cash or in kind, as determined by the
25 Secretary.

1 “(d) Upon the giving of a bond or other undertaking
2 satisfactory to the Secretary to secure the purchase of and
3 payment for such marketing certificates as may be required,
4 and subject to such regulations as he may prescribe, any
5 person required to have marketing certificates in order to
6 market processed rice or remove such rice for sale or con-
7 sumption may be permitted to market or remove such rice
8 without having first acquired marketing certificates.

9 “IMPORT RESTRICTIONS

10 “SEC. 380e. Each person who, on or after the beginning
11 of the marketing year for each marketing year for which
12 a rice marketing allocation program is in effect, imports
13 processed rice into the United States shall acquire market-
14 ing certificates covering the rough rice equivalent of such
15 processed rice.

16 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING
17 CERTIFICATES

18 “SEC. 380f. For the purpose of facilitating the purchase
19 and sale of marketing certificates, the Commodity Credit
20 Corporation is authorized to issue, buy, and sell marketing
21 certificates in accordance with regulations prescribed by the
22 Secretary. Such regulations may authorize the Corpora-
23 tion to issue and sell certificates in excess of the quantity of
24 certificates which it purchases. Such regulations may au-
25 thorize the Corporation in the sale of marketing certificates

1 to charge, in addition to the face value thereof, an amount
2 determined by the Secretary to be appropriate to cover
3 estimated administrative costs in connection with the pur-
4 chase and sale of the certificates and estimated interest in-
5 curred on funds of the Corporation invested in certificates
6 purchased by it.

7 "AUTHORITY TO FACILITATE TRANSITION

8 "SEC. 380g. The Secretary is authorized to take such
9 action as he determines to be necessary to facilitate the transi-
10 tion from the program currently in effect to the program
11 provided for in this subtitle. Notwithstanding any other pro-
12 vision of this subtitle, such authority shall include, but shall
13 not be limited to, the authority to exempt all or a portion
14 of the rice in rough or processed form in the channels of
15 trade on the effective date of the program under this subtitle
16 from the marketing restrictions in subsection (b) of section
17 380d, or to sell certificates to processors covering such rice at
18 such prices as the Secretary may determine. Any such cer-
19 tificates shall be issued by the Commodity Credit Cor-
20 poration.

21 "REPORTS AND RECORDS

22 "SEC. 380h. This section shall apply to processors, ex-
23 porters, importers, and warehousemen of rice in rough or
24 processed form and all persons purchasing, selling, or other-

1 wise dealing in rice marketing certificates. Any such person
2 shall, from time to time on request of the Secretary, report
3 to the Secretary such information and keep such records
4 as the Secretary finds to be necessary to enable him to carry
5 out the provisions of this subtitle. Such information shall
6 be reported and such records shall be kept in such manner as
7 the Secretary shall prescribe. For the purpose of ascertain-
8 ing the correctness of any report made or record kept, or of
9 obtaining information required to be furnished in any report,
10 but not so furnished, the Secretary is hereby authorized to
11 examine such books, papers, records, accounts, correspond-
12 ence, contracts, documents, and memorandums as he has rea-
13 son to believe are relevant and are within the control of
14 such person.

15 "REGULATIONS

16 "SEC. 380i. The Secretary shall prescribe such regu-
17 lations as may be necessary to carry out the provisions of
18 this subtitle, including but not limited to regulations gov-
19 erning the acquisition, disposition, or handling of marketing
20 certificates.

21 "DEFINITIONS

22 "SEC. 380j. For the purposes of this subtitle—

23 "(a) 'processing of rice' means subjecting rough
24 rice for the first time to any process which removes the

1 husk or hull from the rice and results in the production
2 of processed rice.

3 “(b) ‘processed rice’ means ‘brown rice’ as defined
4 in the United States Standards for Brown Rice, ‘milled
5 rice’ as defined in the United States Standards for Milled
6 Rice, including special grades of brown and milled rice,
7 and such other rice as may be designated by the Secre-
8 tary of Agriculture.

9 “(c) ‘United States’ means the several States, the
10 District of Columbia, and the Commonwealth of Puerto
11 Rico.

12 “(d) ‘rough rice equivalent’ means the quantity of
13 rough rice normally used, as determined by the Secre-
14 tary of Agriculture, in the production of a particular
15 quantity and type of processed rice, with appropriate
16 adjustments for broken kernels, as determined by the
17 Secretary.

18 “(e) ‘import’ means to enter, or withdraw from
19 warehouse, for consumption.”

20 SEC. 302. Section 379i of the Agricultural Adjustment
21 Act of 1938, as amended, is amended (i) by inserting in
22 subsection (a) after the words “subsection (b) of section
23 379 (d)” the words “, subsection (b) of section 380d, or
24 section 380e”, (ii) by inserting in subsection (b) after the

1 words "this subtitle" the words "or subtitle E", after the
2 words "by section 379h" the words "and section 380",
3 and immediately preceding the words "marketing certifi-
4 cates" the words "wheat or rice" and (iii) by changing in
5 subsection (d) the words "any marketing certificate" to
6 read "any wheat or rice marketing certificate".

7 SEC. 303. The Agricultural Act of 1949, as amended,
8 is amended as follows:

9 (1) By inserting after section 107 the following new
10 section:

11 "SEC. 108. Notwithstanding the provisions of section
12 101 of this Act, the level of price support for the crops of
13 rice planted for harvest in the calendar years 1966 and 1967
14 shall be as follows:

15 "(1) If a rice marketing allocation program is in
16 effect, price support for rice accompanied by marketing
17 certificates shall be at such level, not less than 65 per
18 centum or more than 100 per centum of the parity price
19 therefor as the Secretary determines; and price support
20 for rice not accompanied by marketing certificates shall
21 be at such level, not more than the parity price therefor,
22 as the Secretary determines will provide orderly mar-
23 keting of rice during the harvest season and will retain
24 an adequate share of the world market for United States
25 rice producers, taking into consideration the factors

1 specified in section 401 (b) of this Act and the price
2 of rice in world markets.

3 “(2) Price support shall be made available only to
4 cooperators.

5 “(3) The level of price support for any crop of rice
6 for which the Secretary determines that the total supply
7 of rice for the marketing year will not exceed the normal
8 supply or for which marketing quotas have been disap-
9 proved by producers shall be as provided in section 101.

10 “(4) A ‘cooperator’ with respect to any crop of
11 rice produced on a farm shall be a producer who does
12 not knowingly exceed (i) the farm acreage allotment
13 for rice on the farm or (ii) except as the Secretary may
14 by regulation prescribe, the farm acreage allotment for
15 rice on any other farm on which the producer shares in
16 the production of rice. If marketing quotas are not in
17 effect for the crop of rice, a ‘cooperator’ with respect to
18 any crop of rice produced on a farm shall be a producer
19 who does not knowingly exceed the farm acreage allot-
20 ment for rice.”

21 (2) By changing the period at the end of the third sen-
22 tence in section 407 to a colon and adding the following:
23 “*Provided further*, That if a rice marketing allocation pro-
24 gram is in effect, the current support price for rice shall be

1 the support price for rice not accompanied by marketing
2 certificates.”

3 SEC. 304. Section 352 of the Agricultural Adjustment
4 Act of 1938, as amended, is amended to read as follows effective beginning with the 1966 crop:

6 “SEC. 352. The national acreage allotment of rice for
7 any calendar year shall be that acreage which the Secretary
8 determines will, on the basis of the projected national yield
9 and expected underplantings (acreage other than that not
10 harvested because of program incentives) of farm acreage
11 allotments, produce an amount of rice not less than sixty million hundredweights adequate, together with the estimated
12 carryover from the marketing year ending in such calendar
13 year, to make available a supply for the marketing year commencing in such calendar year equal to the estimated domestic
14 consumption of rice for the marketing year for which the
15 allotment is being determined, the estimated exports for such
16 year, and an adequate carryover. Such national acreage
17 allotment shall be proclaimed not later than December 31
18 of each year.”

21 SEC. 305. Section 353 (c) of the Agricultural Adjustment
22 Act of 1938, as amended, is amended by striking out
23 paragraph 6.

24 SEC. 306. Section 353 of the Agricultural Adjustment

1 Act of 1938, as amended, is amended by adding at the end
2 thereof a new subsection (g) as follows:

3 “(g) If, beginning with the 1965 crop of rice, the
4 owner or landlord of any farm in a State or administrative
5 area in which rice acreage allotments are determined pri-
6 marily on the basis of the past production of rice on the farm
7 has evicted or evicts any tenant or sharecropper on his farm
8 without just cause, or has required or requires that a tenant
9 or sharecropper pay, in addition to the rental customarily
10 paid in the community for similar land for rice production,
11 a sum of money or anything or service of value, or has forced
12 or forces a tenant or sharecropper by coercion, subterfuge,
13 or in any manner whatsoever to vacate the farm of the
14 owner or landlord or abandon the crop of rice produced by
15 the tenant or sharecropper on such farm without just cause,
16 as determined in accordance with regulations issued by the
17 Secretary, the acreage allotment next established for the
18 farm and for each succeeding year shall be reduced as pro-
19 vided in such regulations: *Provided*, That if the farm acre-
20 age allotment for a crop year has been established at the
21 time the determination under this subsection is made but rice
22 for such year has not been planted, the rice farm acreage
23 allotment for such year and for each succeeding year shall
24 be reduced as provided herein.”

1 TITLE IV—WOOL

2 SEC. 401. The National Wool Act of 1954, as amended,
3 is amended as follows:

4 (1) By deleting the second sentence of section 702 and
5 inserting in lieu thereof: "It is hereby declared to be the
6 policy of Congress, as a measure of national security and
7 in promotion of the general economic welfare, to support
8 the price of wool in such manner and at such level as will
9 encourage the domestic production of as much of the Nation's
10 requirements of wool as possible at prices fair to both
11 producers and consumers, minimize the adverse effect upon
12 foreign trade, and not result in such an increase in lamb
13 production as will depress lamb prices and reduce the total
14 returns to producers from sheep production."

15 (2) By deleting from section 703 "March 31, 1966"
16 and inserting in lieu thereof "December 31, 1967".

17 (3) Effective with respect to wool and mohair marketed
18 after the close of the 1965 marketing year, by deleting from
19 section 703 all of the provisions following the second sentence
20 and substituting therefor the following: "The price for wool
21 marketed by the producer thereof in the 1966 and 1967
22 marketing years shall be supported at such levels within
23 the three ranges prescribed in the following schedule as

- 1 the Secretary determines necessary to encourage production
- 2 consistent with the declared policy of this title:

Quantity of wool (both shorn and pulled), grease basis, marketed by a producer:	Levels of support based on parity price on date of announcement thereof
First 2,000 pounds-----	Shall be supported at not less than 75 or more than 90 per centum of the parity price.
Next 5,000 pounds-----	Shall be supported at not less than 70 or more than 85 per centum of the parity price.
Excess over 7,000 pounds-----	Shall be supported at not less than 65 or more than 80 per centum of the parity price.

- 3 “The quantity of pulled wool marketed in the form of un-
- 4 shorn lambs shall be determined at the rate of four pounds of
- 5 wool per hundredweight of live animals sold. The price for
- 6 mohair marketed by the producer thereof in the 1966 and
- 7 1967 marketing years shall be supported at such levels as
- 8 the Secretary determines are necessary to maintain approxi-
- 9 mately the same levels of support for mohair as for wool.
- 10 Mohair support prices shall not deviate more than 15 per
- 11 centum above or below the percentage of the parity price at
- 12 which wool is supported within comparable weight ranges
- 13 as determined by the Secretary. The Secretary shall, to the
- 14 extent practicable, establish and announce the levels of price
- 15 support for wool and mohair sufficiently in advance of each
- 16 marketing year as will permit producers to plan their pro-
- 17 duction for such marketing year.”

1 TITLE V—CROPLAND ADJUSTMENT

2 SEC. 501. Section 107 of the Soil Bank Act, as amended,
3 is amended as follows:

4 (1) By changing the word “three” in the first sentence
5 of subsection (a) to the word “five”.

6 (2) By deleting the word “or” immediately preceding
7 the word “other” in paragraph (1) of subsection (a) and
8 inserting immediately after the word “uses” a comma and
9 the words “or practices or uses which will establish, protect
10 and conserve open spaces, natural beauty, wildlife and
11 recreational resources, and prevent air and water pollution”.

12 (3) By amending paragraph (4) of subsection (a) to
13 read as follows:

14 “(4) Not to graze any acreage established in pro-
15 tective vegetative cover prior to the expiration of the
16 contract except pursuant to the provisions of section
17 103 (a) (3) hereof.”

18 (4) By changing the word “all” to “such” in each
19 of the two places it appears in paragraph (6) (A) of sub-
20 section (a), changing the period at the end of such para-
21 graph to a comma, and adding the following: “as the Secre-
22 tary may determine to be appropriate.”

23 (5) By amending paragraph (1) of subsection (b)
24 to read as follows:

25 “(1) To bear such part of the average cost (in-

cluding labor) for the county or area in which the farm is situated of establishing and maintaining vegetative cover or other uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area; and”.

(6) By adding a new sentence at the end of paragraph (2) of subsection (b) to read as follows: “The Secretary may make the annual payments for all years of the contract period upon approval of the contract or in such installments as he determines to be desirable.”

(7) By striking the first sentence of subsection (d) and substituting therefor the following: “A contract shall not be terminated under paragraph (6) of subsection (a) unless the violation is one which the Secretary has prescribed by regulation to be of such nature as to defeat or substantially impair the purposes of the contract.”

(8) By adding a new subsection (e) at the end thereof to read as follows:

“(e) The total acreage placed under contract in any county shall be limited to a percentage of the total eligible acreage in such county which the Secretary determines would not adversely affect the economy of the county.”

1 SEC. 502. Section 109 of the Soil Bank Act, as amended,
2 is amended as follows:

3 (1) By adding at the end of subsection (a) the follow-
4 ing: "The Secretary is authorized to formulate and announce
5 programs under this subtitle B and to enter into contracts
6 thereunder with producers during the period 1965-1970 to
7 be carried out during the period ending not later than
8 December 31, 1979."

9 (2) By inserting immediately after the word "cover"
10 in subsection (b) the following: "entered into during the
11 five-year period 1956-1960".

12 (3) By deleting the words "\$450,000,000 in any calen-
13 dar year" in subsection (c) and substituting therefor the
14 following: "in excess of amounts specified from time to time
15 in appropriation Acts."

16 SEC. 503. Sections 111 and 114 of the Soil Bank Act, as
17 amended, are amended as follows:

18 (1) Section 111 is amended by deleting the words
19 "water storage facilities, or other soil-, water-, wildlife-, or
20 forest-conserving" in subsections (a) and (b) and substi-
21 tuting therefor the word "other".

22 (2) Section 114 is amended by deleting the first two
23 words thereof and substituting therefor the words "Except
24 as the Secretary may by regulation prescribe, no person".

25 SEC. 504. Section 118 of the Soil Bank Act, as amended,

1 is amended by inserting “(a)” after “SEC. 118.” and adding
2 new subsections (b) and (c) as follows:

3 “(b) For the purpose of obtaining an increase in the
4 permanent retirement of cropland to noncrop uses the Secre-
5 tary may, notwithstanding any other provision of law, trans-
6 fer funds appropriated for carrying out this title to any other
7 Federal agency or to States or local governmental agencies
8 for use in acquiring cropland for the preservation of open
9 spaces, natural beauty, the development of wildlife and
10 recreational facilities, and the prevention of air and water
11 pollution.

12 “(c) The Secretary also is authorized to share the cost
13 with State and local governmental agencies in the establish-
14 ment of practices and uses which will establish, protect and
15 conserve open spaces, natural beauty, wildlife and recrea-
16 tional resources, and prevent air and water pollution.”

17 SEC. 505. Section 123 of the Soil Bank Act, as
18 amended, is repealed, except that such repeal shall not abate
19 any penalty previously incurred by a producer.

20 SEC. 506. (a) Notwithstanding any other provision of
21 law, the Secretary of Agriculture may, to the extent he
22 deems it desirable, provide by appropriate regulations for
23 preservation of cropland, crop acreage, and allotment history
24 applicable to acreage diverted from the production of crops in
25 order to establish or maintain vegetative cover or other ap-

1 proved practices for the purpose of any Federal program un-
2 der which such history is used as a basis for an allotment or
3 other limitation or for participation in such program.

4 (b) Section 112 of the Soil Bank Act, as amended, and
5 subsections (b) (3) and (4) and (e) (6) of section 16 of
6 the Soil Conservation and Domestic Allotment Act, as
7 amended, are repealed, except that all rights accruing there-
8 under to persons who entered into contracts or agreements
9 prior to such repeal shall be preserved.

10 TITLE VI—TRANSFER OF ALLOTMENTS

11 SEC. 601. Notwithstanding any other provision of law,
12 the Secretary, if he determines that it will not impair the
13 effective operation of the program involved, (1) may permit
14 the owner and operator of any farm for which an acreage
15 allotment, base acreage, acreage-poundage quota, or sugar
16 proportionate share (hereinafter referred to as "allotment")
17 is established under any Federal statute which is based in
18 whole or in part on the history of production of a commodity
19 on the farm to sell or lease all or any part or the right to
20 all or any part of such allotment to any other owner or
21 operator of a farm for transfer to such farm; (2) may per-
22 mit the producer to whom an allotment has been appor-
23 tioned under any Federal statute primarily on the basis of
24 the production of a commodity by the producer to sell, lease,
25 or transfer by devise or other means all or any part or the

1 right to all or any part of such producer allotment to another
2 person; and (3) may permit the owner of a farm to trans-
3 fer all or any part of such allotment to any other farm
4 owned by him: *Provided*, That (i) no allotment shall be
5 transferred to a farm in another State or to a person for use
6 in another State, (ii) no transfer of an allotment from a
7 farm subject to a mortgage or other lien shall be permitted
8 unless the transfer is agreed to by the lienholder, and (iii)
9 no transfer of allotment shall be effective until a record
10 thereof is filed with the county committee of the county to
11 which such transfer is made and such committee determines
12 that the transfer complies with the provisions of this section.
13 The transfer of an allotment shall have the effect of trans-
14 ferring also the acreage history and marketing quota at-
15 tributable to such allotment: *Provided*, That in case of a
16 transfer by lease, the amount of the allotment shall be
17 considered for purposes of determining allotments after
18 the expiration of the lease to have been planted on the farm
19 from which such allotment is transferred and the production
20 pursuant to the lease and transfer shall not be taken into
21 account in establishing allotments for years subsequent to
22 the expiration of the lease for the farm to which such allot-
23 ment is transferred. The Secretary shall prescribe regula-
24 tions for the administration of this section, which shall in-
25 clude provisions for adjusting the size of the allotment

1 transferred if the farm to which the allotment is transferred
2 has a substantially higher yield per acre, reasonable limits
3 on the size of the resulting allotments on farms to which
4 transfers are made, and such other terms and conditions
5 as he deems necessary. If the sale or lease occurs during
6 a period in which the farm is covered by a conservation re-
7 serve contract, cropland conversion agreement, or other
8 similar land utilization agreement, the rates of payment
9 provided for in the contract or agreement of the farm from
10 which the transfer is made shall be subject to an appropriate
11 adjustment, but no adjustment shall be made in the contract
12 or agreement of the farm to which the allotment is trans-
13 ferred.

14 SEC. 602. Sections 316 and 353 (f) of the Agricultural
15 Adjustment Act of 1938, as amended, are hereby repealed.

A BILL

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

By Mr. ELLENDER

APRIL 5, 1965

Read twice and referred to the Committee on
Agriculture and Forestry

H. R. 7097

APRIL 5, 1965

A BILL

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the “Food and Agriculture
4 Act of 1965”.

6 SEC. 101. Effective beginning with the crop planted for
7 harvest in the calendar year 1966, the Agricultural Adjust-
8 ment Act of 1938, as amended, is amended as follows:

1 (1) Section 332 is amended by changing item (iv) in
2 subsection (b) to read: "will be utilized during such mar-
3 keting year in the United States as livestock (including poul-
4 try) feed, excluding the estimated quantity of wheat which
5 will be utilized for such purpose as a result of the substitution
6 of wheat for feed grains under section 328 of the Food and
7 Agriculture Act of 1962" and by adding the following new
8 subsection:

9 “(d) Notwithstanding any other provision of this Act,
10 the Secretary shall not proclaim a national marketing quota
11 for the crops of wheat planted for harvest in the calendar
12 years 1966 and 1967, and farm marketing quotas shall
13 not be in effect for such crops of wheat.”

14 (2) Section 333 is amended to read as follows: “The
15 Secretary shall proclaim a national acreage allotment for
16 each crop of wheat. The amount of the national acreage
17 allotment for any crop of wheat shall be the number of
18 acres which the Secretary determines on the basis of the pro-
19 jected national yield and expected underplantings (acreage
20 other than that not harvested because of program incentives)
21 of farm acreage allotments will produce an amount of wheat
22 equal to the national marketing quota for wheat for the
23 marketing year for such crop or, if a national marketing
24 quota was not proclaimed, the quota which would have been
25 determined if one had been proclaimed. The Secretary

1 may, in his discretion, adjust such national acreage allot-
2 ment as he determines necessary to assure the maintenance
3 of adequate but not excessive stocks in the United States.”

4 (3) Subsection (a) of section 334 is amended to read
5 as follows:

6 “(a) The national allotment for wheat, less a reserve
7 of not to exceed one per centum thereof for apportionment
8 as provided in this subsection and less the special acreage
9 reserve provided for in this subsection, shall be apportioned
10 by the Secretary among the States on the basis of the pre-
11 ceding year’s allotment for each such State, including for
12 1966 the increased acreage in the State allotted for 1965
13 under section 335, adjusted to the extent deemed necessary
14 by the Secretary to establish a fair and equitable appor-
15 tionment base for each State, taking into consideration estab-
16 lished crop-rotation practices, estimated decrease in farm
17 allotments because of loss of history, and other relevant fac-
18 tors. The reserve acreage set aside herein for apportionment
19 by the Secretary shall be used to make allotments to counties
20 in addition to the county allotments made under subsection
21 (b) of this section, on the basis of the relative needs of coun-
22 ties for additional allotments because of reclamation and
23 other new areas coming into production of wheat. There
24 also shall be made available a special acreage reserve of
25 not in excess of one million acres as determined by the Sec-

1 retary to be desirable for the purposes hereof which shall
2 be in addition to the national acreage reserve provided for
3 in this subsection. Such special acreage reserve shall be
4 made available to the States to make additional allotments
5 to counties on the basis of the relative needs of counties, as
6 determined by the Secretary, for additional allotments to
7 make adjustments in the allotments on old wheat farms (i.e.,
8 farms on which wheat has been seeded or regarded as seeded
9 to one or more of the three crops immediately preceding
10 the crop for which the allotment is established) on which the
11 ratio of wheat acreage allotment to cropland on the farm is
12 less than one-half the average ratio of wheat acreage allot-
13 ment to cropland on old wheat farms in the county. Such
14 adjustments shall not provide an allotment for any farm
15 which would result in an allotment-cropland ratio for the
16 farm in excess of one-half of such county average ratio and
17 the total of such adjustments in any county shall not exceed
18 the acreage made available therefor in the county. Such
19 apportionment from the special acreage reserve shall be
20 made only to counties where wheat is a major income-pro-
21 ducing crop, only to farms on which there is limited oppor-
22 tunity for the production of an alternative income-producing
23 crop, and only if an efficient farming operation on the farm
24 requires the allotment of additional acreage from the special
25 acreage reserve. For the purposes of making adjustments

1 hereunder the cropland on the farm shall not include any
2 land developed as cropland subsequent to the 1963 crop
3 year.”

4 (4) Subsection (b) of section 334 is amended to read
5 as follows:

6 “(b) The State acreage allotment for wheat, less a
7 reserve of not to exceed 3 per centum thereof for apportion-
8 ment as provided in subsection (c) of this section, shall be
9 apportioned by the Secretary among the counties in the
10 State, on the basis of the preceding year’s wheat allotment
11 in each such county, including for 1966 the increased
12 acreage in the county allotted for 1965 pursuant to section
13 335, adjusted to the extent deemed necessary by the Secre-
14 tary in order to establish a fair and equitable apportionment
15 base for each county, taking into consideration established
16 crop-rotation practices, estimated decrease in farm allotments
17 because of loss of history, and other relevant factors.”

18 (5) Subsection (c) of section 334 is amended by add-
19 ing new paragraphs (3) and (4) to read as follows:

20 “(3) Notwithstanding the provisions of paragraph (1)
21 of this subsection, the past acreage of wheat for 1966 and
22 any subsequent year shall be the acreage of wheat planted,
23 plus the acreage regarded as planted, for harvest as grain
24 on the farm which is not in excess of the farm acreage allot-
25 ment.

1 “(4) Notwithstanding any other provision of this sub-
2 section (c), the farm acreage allotment for the 1966 and any
3 subsequent crop of wheat shall be established for each old
4 farm by apportioning the county wheat acreage allotment
5 among farms in the county on which wheat has been planted,
6 or is considered to have been planted, for harvest as grain
7 in any one of the three years immediately preceding the
8 year for which allotments are determined on the basis of
9 past acreage of wheat and the farm acreage allotment for
10 the year immediately preceding the year for which the
11 allotment is being established, adjusted as hereinafter pro-
12 vided. For purposes of this paragraph, the acreage allot-
13 ment for the immediately preceding year may be adjusted to
14 reflect established crop-rotation practices, may be adjusted
15 downward to reflect a reduction in the tillable acreage on the
16 farm, and may be adjusted to reflect such other factors as
17 the Secretary determines should be considered for the pur-
18 pose of establishing a fair and equitable allotment: *Provided*,
19 That (i) for purposes of computing the 1966 allotment for
20 any farm not in compliance with its 1964 farm acreage allot-
21 ment, the 1965 acreage allotment shall be reduced by 7
22 per centum; (ii) for the purposes of computing the allot-
23 ment for any year, the acreage allotment for the farm for the
24 immediately preceding year shall be decreased by 7 per
25 centum if for the year immediately preceding the year for

1 which such reduction is made neither a voluntary diversion
2 program nor a certificate program was in effect and there
3 was noncompliance with the farm acreage allotment for such
4 year; and (iii) for purposes of clause (ii), any farm on
5 which the entire amount of farm marketing excess is de-
6 livered to the Secretary, stored, or adjusted to zero in ac-
7 cordance with applicable regulations to avoid or postpone
8 payment of the penalty when farm marketing quotas are in
9 effect, shall be considered in compliance with the allotment,
10 but if any part of the amount of wheat so stored is later de-
11 pleted and penalty becomes due by reason of such depletion,
12 the allotment for such farm next computed after determina-
13 tion of such depletion shall be reduced by reducing the allot-
14 ment for the immediately preceding year by 7 per centum.”

15 (6) Subsection (d) of section 334 is repealed.

16 (7) Subsection (g) of section 334 is amended by strik-
17 ing out the language “except as prescribed in the provisos
18 to the first sentence of subsections (a) and (b), respec-
19 tively, of this section” in the first sentence.

20 (8) Section 335 is amended by adding at the end
21 thereof the following: “This section shall not be applicable
22 to the crops planted for harvest in 1966 and subsequent
23 years.”

24 (9) Section 339 (b) is amended (1) by striking out
25 “1964 and 1965 crops of wheat” and substituting “crops of

1 wheat planted for harvest in the calendar years 1964 through
2 1967", (2) by striking out of the first sentence "payments
3 may be made in amounts not in excess of 50 per centum of
4 the estimated basic county support rate for wheat not ac-
5 companied by marketing certificates on the normal produc-
6 tion of the acreage diverted taking into account the income
7 objectives of the Act, determined by the Secretary to be
8 fair and reasonable with respect to acreage diverted pur-
9 suant to subsection (a) of this section" and substituting
10 "payments may be made with respect to acreage diverted
11 at such rate or rates as the Secretary determines will pro-
12 vide producers with a fair and reasonable return for the
13 acreage diverted, taking into consideration the loss of pro-
14 duction on such acreage based on the projected farm yield,
15 any savings in cost which result from such diversion, the
16 incentive necessary to obtain participation in the program,
17 and the income objectives of the Act", and (3) by striking
18 out of the third sentence "20 per centum of the farm acre-
19 age allotment" and "fifteen acres" and substituting "50
20 per centum of the farm acreage allotment" and "twenty-five
21 acres", respectively.

22 (10) Section 339 (e) is amended to read as follows:
23 "The Secretary may permit all or any part of the diverted
24 acreage to be devoted to the production of guar, sesame,
25 safflower, sunflower, castor beans, mustard seed, soybeans

1 and flax, if he determines that such production of the com-
2 modity is needed to provide an adequate supply, is not likely
3 to increase the cost of the price support program and will not
4 adversely affect farm income, subject to the condition that
5 payment with respect to diverted acreage devoted to any
6 such crop shall be at a rate determined by the Secretary to
7 be fair and reasonable taking into consideration the use of
8 such acreage for the production of such crops: *Provided*, That
9 in no event shall the payment exceed one-half the rate which
10 otherwise would be applicable if such acreage were devoted
11 to conservation uses."

12 (11) Section 377 is amended by deleting from the first
13 sentence the language in parentheses and by changing the
14 colon before the first proviso of such sentence to a period and
15 striking out the remainder of such sentence.

16 (12) Section 379c is amended by adding the following
17 new subsection:

18 "(e) Notwithstanding any other provision of law, the
19 amount of certificates issued with respect to any farm may
20 be adjusted by the Secretary for failure of a producer to com-
21 ply fully with the terms and conditions of the program formu-
22 lated under this subtitle."

23 SEC. 102. Effective only with respect to the crops of
24 wheat planted for harvest in the calendar years 1966 and

1 1967, and the marketing years for such crops, section 379b
2 is amended to read as follows:

3 “SEC. 379b. A wheat marketing allocation program as
4 provided in this subtitle shall be in effect for the marketing
5 years for the crops planted for harvest in the calendar years
6 1966 and 1967. Whenever a wheat marketing allocation
7 program is in effect for any marketing year the Secretary
8 shall determine (1) the wheat marketing allocation for such
9 year which shall be (i) the amount of wheat he estimates
10 will be used during such year for food products for consump-
11 tion in the United States and (ii) that portion of the amount
12 of wheat which he estimates will be exported in the form of
13 wheat or products thereof during the marketing year on
14 which the Secretary determines that marketing certificates
15 shall be issued to producers in order to achieve, insofar as
16 practicable, the price and income objectives of this subtitle,
17 and (2) the national allocation percentage for such year
18 which shall be the percentage which the national marketing
19 allocation is of the amount of the national marketing quota
20 for wheat that would be determined for such marketing year
21 if a national marketing quota for such year had been pro-
22 claimed less the expected production on the acreage allot-
23 ments for farms which will not be in compliance with the
24 requirements of the program. Each farm shall receive a
25 wheat marketing allocation for such marketing year equal to

1 the number of bushels obtained by multiplying the number
2 of acres in the farm acreage allotment for wheat by the
3 projected farm yield, and multiplying the resulting number
4 of bushels by the national allocation percentage.”

5 SEC. 103. Effective beginning with the 1968 crop, sec-
6 tion 379b is amended by striking out “normal yield of wheat
7 for the farm as determined by the Secretary” and substituting
8 “projected farm yield”.

9 SEC. 104. (a) Effective upon the enactment of this Act,
10 section 379d (b) is amended by striking out the third sen-
11 tence and substituting the following: “The Secretary may
12 exempt from the requirements of this subsection wheat ex-
13 ported for donation abroad and other noncommercial exports
14 of wheat, wheat processed for use on the farm where grown,
15 wheat produced by a State or agency thereof and processed
16 for use by the State or agency thereof, wheat processed for
17 donation, and wheat processed for uses determined by the
18 Secretary to be noncommercial. Such exemptions may be
19 made applicable with respect to any wheat processed or
20 exported beginning July 1, 1964. There shall be exempt
21 from the requirements of this subsection beverage distilled
22 from wheat prior to July 1, 1964. A beverage distilled from
23 wheat after July 1, 1964, shall be deemed to be removed
24 for sale or consumption at the time it is placed in barrels for
25 aging. Wheat shipped to a Canadian port for storage in

1 bond, or storage under a similar arrangement, and subse-
2 quent exportation, shall be deemed to have been exported
3 for purposes of this subsection when it is exported from the
4 Canadian port.”

5 (b) Section 379d (d) is amended to read as follows:

6 “(d) As used in this subtitle, the term ‘food products’
7 means any product composed wholly or partly of wheat to
8 be used for human consumption, including beverage, as deter-
9 mined by the Secretary.”

10 This subsection shall be effective as to food products
11 sold, or removed for sale or consumption on or after sixty
12 days following enactment of this Act, unless the Secretary
13 shall by regulation designate an earlier effective date within
14 such sixty-day period.

15 SEC. 105. The Agricultural Act of 1964 is amended as
16 follows:

17 (1) Amendment (7) of section 202 is amended by strik-
18 ing out “1964 and 1965” and substituting “the calendar
19 years 1964 through 1967”.

20 (2) Amendment (13) of section 202 is amended by
21 striking out “only with respect to the crop planted for har-
22 vest in the calendar year 1965” and substituting “with re-
23 spect to the crops planted for harvest in the calendar years
24 1965 through 1967”.

1 (3) Section 204 is amended by striking out "1964 and
2 1965" and substituting "1964 through 1967".

3 SEC. 106. Effective beginning with the 1966 crop, sec-
4 tion 107 of the Agricultural Act of 1949, as amended, is
5 amended to read as follows:

6 "SEC. 107. Notwithstanding the provisions of section
7 101 of this Act, beginning with the 1966 crop—

8 “(1) Whenever a wheat marketing allocation program
9 is in effect, (a) price support for wheat accompanied by do-
10 mestic certificates shall be at such level, not less than 65
11 per centum or more than 100 per centum of the parity price
12 therefor, as the Secretary determines, (b) price support for
13 wheat accompanied by export certificates shall be at such
14 level, not in excess of the parity price therefor, as the Secre-
15 tary determines, and (c) price support for wheat not accom-
16 panied by marketing certificates shall be at such level, not
17 in excess of the parity price therefor, as the Secretary deter-
18 mines appropriate, taking into consideration competitive
19 world prices of wheat, the feeding value of wheat in rela-
20 tion to feed grains, and the level at which price support is
21 made available for feed grains.

22 “(2) Whenever a wheat marketing allocation program
23 is not in effect, the level of price support for any crop of
24 wheat for which a national marketing quota is not pro-

1 claimed or for which marketing quotas have been disap-
2 proved by producers shall be as provided in section 101.

3 “ (3) A ‘cooperator’ with respect to any crop of wheat
4 produced on a farm shall be a producer who (i) does not
5 knowingly exceed (A) the farm acreage allotment for wheat
6 on the farm or (B) except as the Secretary may by regu-
7 lation prescribe, the farm acreage allotment for wheat on any
8 other farm on which the producer shares in the production
9 of wheat, and (ii) complies with the land-use requirements
10 of section 339 of the Agricultural Adjustment Act of 1938,
11 as amended, to the extent prescribed by the Secretary. No
12 producer shall be deemed to have exceeded a farm acreage
13 allotment for wheat if the entire amount of the farm mar-
14 keting excess is delivered to the Secretary or stored in accord-
15 ance with applicable regulations to avoid or postpone pay-
16 ment of the penalty, but the producer shall not be eligible
17 to receive price support on such marketing excess. No pro-
18 ducer shall be deemed to have exceeded a farm acreage
19 allotment for wheat if the production on the acreage in excess
20 of the farm acreage allotment is stored pursuant to the
21 provisions of section 379c (b) , but the producer shall not be
22 eligible to receive price support on the wheat so stored.”

23 SEC. 107. Effective beginning with the crop planted for
24 harvest in the calendar year 1966, section 339 (a) of the
25 Agricultural Adjustment Act of 1938, as amended, is

1 amended by inserting after the words "national acreage
2 allotment", wherever they appear, the following: "(less
3 an acreage equal to the increased acreage allotted for 1965
4 pursuant to section 335)".

5 SEC. 108. Effective beginning with the crop planted for
6 harvest in the calendar year 1966, section 379c(a) of the
7 Agricultural Adjustment Act of 1938, as amended, is
8 amended by amending the third sentence to read as follows:
9 "The Secretary shall provide for the sharing of wheat mar-
10 keting certificates among producers on the farm on a fair
11 and equitable basis.", and by adding at the end thereof the
12 following: "An acreage on the farm not planted to wheat
13 because of drought, flood, or other natural disaster shall be
14 deemed to be an actual acreage of wheat planted for har-
15 vest for purposes of this subsection."

16 SEC. 109. Section 301(b) of the Agricultural Adjust-
17 ment Act of 1938, as amended, is amended as follows:

18 (1) Paragraph (8) is amended by inserting "(A)"
19 after "(8)" and adding the following new subparagraph:

20 "(B) 'Projected national yield' as applied to any
21 crop of rice or wheat shall be determined on the basis
22 of the national yield per harvested acre of the commod-
23 ity during each of the five calendar years immediately
24 preceding the year in which such projected national
25 yield is determined, adjusted for abnormal weather con-

1 ditions affecting such yield, for trends in yields and for
2 any significant changes in production practices.”

3 (2) Paragraph (13) is amended by adding the follow-
4 ing new subparagraphs:

5 “(J) ‘Projected county yield’ for any crop of rice or
6 wheat shall be determined on the basis of the yield per har-
7 vested acre of such crop in the county during each of the
8 five calendar years immediately preceding the year in which
9 such projected county yield is determined, adjusted for ab-
10 normal weather conditions affecting such yield, for trends in
11 yields and for any significant changes in production practices.

12 “(K) ‘Projected farm yield’ for any crop of rice or
13 wheat shall be determined on the basis of the yield per har-
14 vested acre of such crop on the farm during each of the three
15 calendar years immediately preceding the year in which such
16 projected farm yield is determined, adjusted for abnormal
17 weather conditions affecting such yield, for trends in yields
18 and for any significant changes in production practices.”

19 SEC. 110. (a) Section 379c (b) of the Agricultural Ad-
20 justment Act of 1938, as amended, is amended, effective
21 beginning with the 1966 crop, by striking out of the fifth
22 sentence the words “normal yield of wheat per acre estab-
23 lished for the farm” and substituting therefor the words
24 “projected farm yield”.

25 (b) Section 379i of the Agricultural Adjustment Act of

1 1938, as amended, is amended, effective as of the effective
2 date of the original enactment of the section, by inserting in
3 subsections (a) and (b) after the word "who", wherever it
4 appears, the word "knowingly".

5 SEC. 111. (a) Effective beginning with the crop planted
6 for harvest in 1966, paragraph (9) of section 301 (b) of the
7 Agricultural Adjustment Act of 1938, as amended, is
8 amended to read as follows:

9 " (9) 'Normal production' as applied to any number of
10 acres of rice or wheat means the projected farm yield times
11 such number of acres and, as applied to any number of acres
12 of cotton, means the normal yield for the farm times such
13 number of acres."

14 (b) Public Law 74, Seventy-seventh Congress, as
15 amended, is amended by changing the words "normal yield
16 of wheat per acre established for the farm" in paragraph (1)
17 to the words "projected farm yield".

18 TITLE II—FEED GRAINS

19 SEC. 201. Section 105 of the Agricultural Act of 1949,
20 as amended, is amended by adding the following new sub-
21 section (e) :

22 " (e) For the 1966 and 1967 crops of feed grains, the
23 Secretary shall require as a condition of eligibility for price
24 support on the crop of any feed grain which is included in

1 any acreage diversion program formulated under section 16
2 (i) of the Soil Conservation and Domestic Allotment Act, as
3 amended, that the producer shall participate in the diver-
4 sion program to the extent prescribed by the Secretary, and,
5 if no diversion program is in effect for any crop, he may re-
6 quire as a condition of eligibility for price support on such
7 crop of feed grains that the producer shall not exceed his feed
8 grain base. In addition to price support provided under sub-
9 sections (a) and (b) of this section, which shall be made
10 available through loans and purchases, for any feed grain
11 included in the acreage diversion program, a payment-in-
12 kind may be made available to producers in such amount or
13 amounts as the Secretary determines desirable to assure that
14 the benefits of the price support and diversion programs
15 inure primarily to those producers who cooperate in reducing
16 their acreages of feed grains, and to take into account the
17 extent of participation by the producer. Such payments-in-
18 kind shall be made on such part of the acreage of such feed
19 grain planted on the farm for harvest as the Secretary deter-
20 mines desirable to effectuate the purposes of the program:
21 *Provided*, That for purposes of such payments, the Secretary
22 may permit producers of feed grains to have acreage devoted
23 to soybeans considered as devoted to the production of feed
24 grains to such extent and subject to such terms and condi-
25 tions as the Secretary determines will not impair the effective

1 operation of the price support program. The Secretary may
2 make not to exceed 50 per centum of any payments here-
3 under to producers in advance of determination of perform-
4 ance. Payments-in-kind shall be made through the issuance
5 of negotiable certificates which the Commodity Credit Cor-
6 poration shall redeem for feed grains (such feed grains to be
7 valued by the Secretary at not less than the current support
8 price made available through loans and purchases, plus rea-
9 sonable carrying charges) in accordance with regulations
10 prescribed by the Secretary and, notwithstanding any other
11 provision of law, the Commodity Credit Corporation shall,
12 in accordance with regulations prescribed by the Secretary,
13 assist the producer in the marketing of such certificates.
14 The Secretary shall provide for the sharing of such certifi-
15 cates among producers on the farm on a fair and equitable
16 basis. If the operator of the farm elects to participate in the
17 acreage diversion program, price support for feed grains in-
18 cluded in the program shall be made available to the pro-
19 ducers on such farm only if such producers divert from the
20 production of such feed grains, in accordance with the pro-
21 visions of such program, an acreage on the farm equal to
22 the number of acres which such operator agrees to divert,
23 and the agreement shall so provide. Notwithstanding any
24 other provision of law, payments in kind under this sub-
25 section (e) and subsection (d) of this section may be

1 adjusted by the Secretary for failure of a producer to comply
2 fully with the terms and conditions of the programs formu-
3 lated under such subsections and section 16 of the Soil Con-
4 servation and Domestic Allotment Act, as amended.”

5 SEC. 202. Section 16 of the Soil Conservation and Do-
6 mestic Allotment Act, as amended, is amended by adding
7 the following new subsection:

8 “(i) Notwithstanding any other provision of law—

9 “(1) For the 1966 and 1967 crops of feed grains,
10 if the Secretary determines that the total supply of
11 feed grains will, in the absence of an acreage diversion
12 program, likely be excessive, taking into account the
13 need for an adequate carryover to maintain reasonable
14 and stable supplies and prices of feed grains and to meet
15 any national emergency, he may formulate and carry
16 out an acreage diversion program for feed grains, with-
17 out regard to provisions which would be applicable to
18 the regular agricultural conservation program, under
19 which, subject to such terms and conditions as the
20 Secretary determines, conservation payments shall be
21 made to producers who divert acreage from the pro-
22 duction of feed grains to an approved conservation use
23 and increase their average acreage of cropland devoted
24 in 1959 and 1960 to designated soil-conserving crops
25 or practices including summer fallow and idle land by

an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, taking into consideration the loss of production on such acreage, any savings in cost which result from such diversion, the incentive necessary to achieve the acreage reduction goal, and the payments in kind made available under section 105 (e) of the Agricultural Act of 1949, as amended. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term 'feed

1 grains' means corn, grain sorghums, and, if designated
2 by the Secretary, barley. Such feed grain diversion pro-
3 gram shall require the producer to take such measures
4 as the Secretary may deem appropriate to keep such
5 diverted acreage free from erosion, insects, weeds, and
6 rodents. The acreage eligible for participation in the
7 program shall be such acreage (not to exceed 50 per
8 centum of the average acreage on the farm devoted to
9 feed grains in the crop years 1959 and 1960 or twenty-
10 five acres, whichever is greater) as the Secretary de-
11 termines necessary to achieve the acreage reduction goal
12 for the crop. Payments shall be made in kind. The
13 acreage of wheat produced on the farm during the
14 crop years 1959, 1960, and 1961, pursuant to the ex-
15 emption provided in section 335 (f) of the Agricultural
16 Adjustment Act of 1938, as amended, prior to its repeal
17 by the Food and Agriculture Act of 1962, in excess of
18 the small farm base acreage for wheat established under
19 section 335 of the Agricultural Adjustment Act of 1938,
20 as amended, may be taken into consideration in estab-
21 lishing the feed grain base acreage for the farm. The
22 Secretary may make such adjustments in acreage as
23 he determines necessary to correct for abnormal factors
24 affecting production, and to give due consideration to
25 tillable acreage, crop-rotation practices, types of soil,

1 soil and water conservation measures, and topography.

2 Notwithstanding any other provision of this subsection.

3 (i) (1), the Secretary may, upon unanimous request
4 of the State committee established pursuant to section
5 8 (b) of the Soil Conservation and Domestic Allotment
6 Act, as amended, adjust the feed grain bases for farms
7 within any State or county to the extent he determines
8 such adjustment to be necessary in order to establish
9 fair and equitable feed grain bases for farms within such
10 State or county. The Secretary may make not to exceed
11 50 per centum of any payments to producers in advance
12 of determination of performance.

13 “(2) Notwithstanding any other provision of this
14 subsection, not to exceed 1 per centum of the estimated
15 total feed grain bases for all farms in a State for any
16 year may be reserved from the feed grain bases estab-
17 lished for farms in the State for apportionment to farms
18 on which there were no acreages devoted to feed grains
19 in the crop years 1959 and 1960 on the basis of the
20 following factors: Suitability of the land for the pro-
21 duction of feed grains, the past experience of the farm
22 operator in the production of feed grains, the extent to
23 which the farm operator is dependent on income from
24 farming for his livelihood, the production of feed grains
25 on other farms owned, operated, or controlled by the

1 farm operator, and such other factors as the Secretary
2 determines should be considered for the purpose of estab-
3 lishing fair and equitable feed grain bases. An acreage
4 equal to the feed grain base so established for each farm
5 shall be deemed to have been devoted to feed grains on
6 the farm in each of the crop years 1959 and 1960 for
7 purposes of this subsection except that producers on such
8 farm shall not be eligible for conservation payments for
9 the first year for which the feed grain base is established.

10 “(3) There are hereby authorized to be appropri-
11 ated such amounts as may be necessary to enable the
12 Secretary to carry out this section 16 (i).

13 “(4) The Secretary shall provide by regulations for
14 the sharing of payments under this subsection among
15 producers on the farm on a fair and equitable basis and
16 in keeping with existing contracts.

17 “(5) Payments in kind shall be made through the
18 issuance of negotiable certificates which the Commodity
19 Credit Corporation shall redeem for feed grains in ac-
20 cordance with regulations prescribed by the Secretary
21 and, notwithstanding any other provision of law, the
22 Commodity Credit Corporation shall, in accordance with
23 regulations prescribed by the Secretary, assist the pro-
24 ducer in the marketing of such certificates. Feed grains
25 with which Commodity Credit Corporation redeems cer-

1 tificates pursuant to this paragraph shall be valued at not
2 less than the current support price made available
3 through loans and purchases, plus reasonable carrying
4 charges.

5 “(6) Notwithstanding any other provision of law,
6 the Secretary may, by mutual agreement with the pro-
7 ducer, terminate or modify any agreement previously
8 entered into pursuant to this subsection if he determines
9 such action necessary because of an emergency created
10 by drought or other disaster, or in order to prevent or
11 alleviate a shortage in the supply of feed grains.”

12 SEC. 203. Section 326 of the Food and Agriculture Act
13 of 1962, as amended, is amended by deleting the language
14 beginning with “the requirements” and ending with “Agri-
15 cultural Act of 1961, and” and substituting therefor “the
16 requirements of any program under which price support is
17 extended or payments are made to farmers, and price sup-
18 port may be extended or”.

19 TITLE III—RICE

20 SEC. 301. The Agricultural Adjustment Act of 1938,
21 as amended, is amended by striking out sections 380a through
22 380p and substituting the following:

23 “SEC. 380a. The movement of rice from producer to
24 consumer is preponderantly in interstate and foreign com-

1 merce, and the small quantity of rice which does not move
2 in interstate or foreign commerce affects such commerce.
3 Unreasonably low prices of rice to producers impair their
4 purchasing power for nonagricultural products and place
5 them in a position of serious disparity with other industrial
6 groups. The conditions affecting the production of rice are
7 such that without Federal assistance, producers cannot effec-
8 tively prevent disastrously low prices for rice. It is necessary
9 in order to assist rice producers in obtaining fair prices, to
10 regulate the price of rice in the manner provided in this sub-
11 title.

12 "RICE MARKETING ALLOCATION

13 "SEC. 380b. If marketing quotas are in effect for rice for
14 the 1966 or 1967 crop, a rice marketing allocation program
15 for the marketing year for such crop shall be in effect as pro-
16 vided in this subtitle. Whenever a rice marketing allocation
17 program is in effect for any marketing year, the Secretary
18 shall determine (1) the rice marketing allocation for such
19 year which shall be the amount of rice which in determining
20 the national acreage allotment for such year he estimated
21 would be used for domestic consumption except for seed, and
22 (2) the national allocation percentage which shall be the
23 percentage which the national marketing allocation is of the
24 amount of rice determined by multiplying the national acre-
25 age allotment by the projected national yield. Each farm

1 shall receive a rice marketing allocation for such marketing
 2 year equal to the number of hundredweights obtained by
 3 multiplying the number of acres in the farm acreage allot-
 4 ment for rice by the projected farm yield of rice, and multiply-
 5 ing the resulting number of hundredweights by the allocation
 6 percentages established by the Secretary within the ranges
 7 prescribed in the schedule below: *Provided*, That in any
 8 State or administrative area in which farm rice acreage allot-
 9 ments are determined on the basis of past production of rice
 10 by the producers on the farm, each producer shall receive a
 11 rice marketing allocation determined by multiplying the
 12 producer's rice acreage allotment for such State or area by
 13 his projected yield of rice, as determined by the Secretary,
 14 and by multiplying the result of such allocation percentages.

Estimated production on allotted acres
 (allotment multiplied by projected
 yield) :

Allocation percentage

First 500 hundredweights and less.	Not less than national allocation percentage or more than 55 per centum.
501 hundredweights to 1,500 hundredweights, inclusive.	Not less than national allocation percentage or more than 45 per centum.
More than 1,500 hundredweights.	National allocation percentage.

15 The additional rice marketing certificates issued to producers
 16 as a result of using allocation percentages in excess of the
 17 national allocation percentage shall be financed by the Com-
 18 modity Credit Corporation. The acreage allotment referred
 19 to in this section shall be the acreage allotment established

1 under section 353 (b) before any of such allotment is vol-
2 untarily surrendered or such allotment is increased by any
3 reapportioned allotment as provided in section 353 (e) of
4 this Act.

5 "MARKETING CERTIFICATES

6 "SEC. 380c. (a) The Secretary shall provide for the
7 issuance of rice marketing certificates for each marketing
8 year for which a rice marketing allocation program is in
9 effect for the purpose of enabling producers on any farm
10 with respect to which certificates are issued to receive, in
11 addition to the other proceeds from the sale of rice, an
12 amount equal to the value of such certificates. The rice
13 marketing certificates issued with respect to any farm for
14 any marketing year shall be in the amount of the farm rice
15 marketing allocation for such year, but not to exceed the
16 actual acreage of rice planted on the farm for harvest in
17 the calendar year in which the marketing year begins mul-
18 tiplied by the projected yield of rice for the farm as deter-
19 mined by the Secretary. The rice marketing certificates
20 issued to any producer for any marketing year in any State
21 or administrative area where producer allotments are estab-
22 lished shall be in the amount of the producer's rice market-
23 ing allocation for such year, but not to exceed the actual
24 acreage of rice planted by the producer in such State or

1 area for harvest in the calendar year in which the marketing
2 year begins multiplied by the producer's projected yield as
3 determined by the Secretary. The Secretary shall provide
4 for the sharing of rice marketing certificates among pro-
5 ducers on the farm on a fair and equitable basis.

6 “(b) No producer shall be eligible to receive rice mar-
7 keting certificates with respect to any farm for any market-
8 ing year in which a marketing quota penalty is assessed for
9 any commodity on such farm.

10 “(c) Whenever a rice marketing allocation program is
11 in effect for any marketing year, the Secretary shall deter-
12 mine and proclaim for such marketing year the face value per
13 hundredweight of marketing certificates which shall be equal
14 to the amount by which the level of price support for rice
15 accompanied by certificates (certificate rice) exceeds the
16 level of price support for rice not accompanied by certificates
17 (noncertificate rice).

18 “(d) Marketing certificates and transfers thereof shall
19 be represented by such documents, marketing cards, records,
20 accounts, certifications, or other statements or forms as the
21 Secretary may prescribe.

22 “(e) Notwithstanding any other provision of this Act,
23 the amount of certificates issued with respect to any farm

1 may be adjusted by the Secretary for failure of a producer to
2 comply fully with the terms and conditions of the program
3 formulated under this subtitle.

4 "MARKETING RESTRICTIONS

5 "SEC. 380d. (a) Marketing certificates shall be trans-
6 ferable only in accordance with regulations prescribed by the
7 Secretary. Any unused certificates legally held by any per-
8 son shall be purchased by Commodity Credit Corporation if
9 tendered to the Corporation for purchase in accordance with
10 regulations prescribed by the Secretary.

11 "(b) During any marketing year for which a rice
12 marketing allocation program is in effect, all persons en-
13 gaged in the processing of rice in the United States shall,
14 prior to marketing any processed rice or removing proc-
15 essed rice for sale or consumption, acquire marketing certifi-
16 cates equivalent to the number of hundredweights of rice
17 from which such processed rice was obtained, as determined
18 by the Secretary of Agriculture. The requirements of this
19 subsection shall not be applicable to rice which is both
20 produced and processed in Puerto Rico or in any State for
21 which no acreage allotment is established under section 353
22 of this Act. The Secretary may exempt from the require-
23 ments of this subsection (i) rice processed for donation,
24 (ii) rice processed for use on the farm where grown, (iii)
25 rice produced by a State or agency thereof and processed for

1 use by the State or agency thereof, and (iv) rice processed
2 for uses determined by the Secretary to be noncommercial.
3 Marketing certificates shall be valid to cover only sales or
4 removals for sale or consumption made during the marketing
5 year with respect to which they are issued, and after being
6 once used to cover a sale or removal for sale or consumption
7 shall be void and shall be disposed of in accordance with
8 regulations prescribed by the Secretary. Notwithstanding
9 the foregoing provisions hereof, the Secretary may require
10 marketing certificates issued for any marketing year to be
11 acquired to cover sales or removals made on or after the
12 date during the calendar year in which rice harvested in
13 such calendar year begins to be marketed as determined by
14 the Secretary even though such rice is marketed prior to
15 the beginning of the marketing year, and marketing certifi-
16 cates for such marketing year shall be valid to cover sales
17 or removals made on or after the date so determined by the
18 Secretary.

19 “(c) Upon the exportation from the United States of
20 any processed rice with respect to which certificates were
21 acquired, the Commodity Credit Corporation shall pay to
22 the exporter an amount equal to the value of the certificates
23 for the rough rice equivalent of such processed rice. Such
24 payments may be in cash or in kind, as determined by the
25 Secretary.

1 “(d) Upon the giving of a bond or other undertaking
2 satisfactory to the Secretary to secure the purchase of and
3 payment for such marketing certificates as may be required,
4 and subject to such regulations as he may prescribe, any
5 person required to have marketing certificates in order to
6 market processed rice or remove such rice for sale or con-
7 sumption may be permitted to market or remove such rice
8 without having first acquired marketing certificates.

9 “IMPORT RESTRICTIONS

10 “SEC. 380e. Each person who, on or after the beginning
11 of the marketing year for each marketing year for which
12 a rice marketing allocation program is in effect, imports
13 processed rice into the United States shall acquire market-
14 ing certificates covering the rough rice equivalent of such
15 processed rice.

16 “ASSISTANCE IN PURCHASE AND SALE OF MARKETING
17 CERTIFICATES

18 “SEC. 380f. For the purpose of facilitating the purchase
19 and sale of marketing certificates, the Commodity Credit
20 Corporation is authorized to issue, buy, and sell marketing
21 certificates in accordance with regulations prescribed by the
22 Secretary. Such regulations may authorize the Corpora-
23 tion to issue and sell certificates in excess of the quantity of
24 certificates which it purchases. Such regulations may au-
25 thorize the Corporation in the sale of marketing certificates

1 to charge, in addition to the face value thereof, an amount
2 determined by the Secretary to be appropriate to cover
3 estimated administrative costs in connection with the pur-
4 chase and sale of the certificates and estimated interest in-
5 curred on funds of the Corporation invested in certificates
6 purchased by it.

7 "AUTHORITY TO FACILITATE TRANSITION

8 "SEC. 380g. The Secretary is authorized to take such
9 action as he determines to be necessary to facilitate the transi-
10 tion from the program currently in effect to the program
11 provided for in this subtitle. Notwithstanding any other pro-
12 vision of this subtitle, such authority shall include, but shall
13 not be limited to, the authority to exempt all or a portion
14 of the rice in rough or processed form in the channels of
15 trade on the effective date of the program under this subtitle
16 from the marketing restrictions in subsection (b) of section
17 380d, or to sell certificates to processors covering such rice at
18 such prices as the Secretary may determine. Any such cer-
19 tificates shall be issued by the Commodity Credit Cor-
20 poration.

21 "REPORTS AND RECORDS

22 "SEC. 380h. This section shall apply to processors, ex-
23 porters, importers, and warehousemen of rice in rough or
24 processed form and all persons purchasing, selling, or other-

1 wise dealing in rice marketing certificates. Any such person
2 shall, from time to time on request of the Secretary, report
3 to the Secretary such information and keep such records
4 as the Secretary finds to be necessary to enable him to carry
5 out the provisions of this subtitle. Such information shall
6 be reported and such records shall be kept in such manner as
7 the Secretary shall prescribe. For the purpose of ascertain-
8 ing the correctness of any report made or record kept, or of
9 obtaining information required to be furnished in any report,
10 but not so furnished, the Secretary is hereby authorized to
11 examine such books, papers, records, accounts, correspond-
12 ence, contracts, documents, and memorandums as he has rea-
13 son to believe are relevant and are within the control of
14 such person.

15 "REGULATIONS

16 "SEC. 380i. The Secretary shall prescribe such regu-
17 lations as may be necessary to carry out the provisions of
18 this subtitle, including but not limited to regulations gov-
19 erning the acquisition, disposition, or handling of marketing
20 certificates.

21 "DEFINITIONS

22 "SEC. 380j. For the purposes of this subtitle—

23 "(a) 'processing of rice' means subjecting rough
24 rice for the first time to any process which removes the

1 husk or hull from the rice and results in the production
2 of processed rice.

3 “(b) ‘processed rice’ means ‘brown rice’ as defined
4 in the United States Standards for Brown Rice, ‘milled
5 rice’ as defined in the United States Standards for Milled
6 Rice, including special grades of brown and milled rice,
7 and such other rice as may be designated by the Secre-
8 tary of Agriculture.

9 “(c) ‘United States’ means the several States, the
10 District of Columbia, and the Commonwealth of Puerto
11 Rico.

12 “(d) ‘rough rice equivalent’ means the quantity of
13 rough rice normally used, as determined by the Secre-
14 tary of Agriculture, in the production of a particular
15 quantity and type of processed rice, with appropriate
16 adjustments for broken kernels, as determined by the
17 Secretary.

18 “(e) ‘import’ means to enter, or withdraw from
19 warehouse, for consumption.”

20 SEC. 302. Section 379i of the Agricultural Adjustment
21 Act of 1938, as amended, is amended (i) by inserting in
22 subsection (a) after the words “subsection (b) of section
23 379 (d)” the words “, subsection (b) of section 380d, or
24 section 380e”, (ii) by inserting in subsection (b) after the

1 words "this subtitle" the words "or subtitle E", after the
2 words "by section 379h" the words "and section 380",
3 and immediately preceding the words "marketing certifi-
4 cates" the words "wheat or rice" and (iii) by changing in
5 subsection (d) the words "any marketing certificate" to
6 read "any wheat or rice marketing certificate".

7 SEC. 303. The Agricultural Act of 1949, as amended,
8 is amended as follows:

9 (1) By inserting after section 107 the following new
10 section:

11 "SEC. 108. Notwithstanding the provisions of section
12 101 of this Act, the level of price support for the crops of
13 rice planted for harvest in the calendar years 1966 and 1967
14 shall be as follows:

15 "(1) If a rice marketing allocation program is in
16 effect, price support for rice accompanied by marketing
17 certificates shall be at such level, not less than 65 per
18 centum or more than 100 per centum of the parity price
19 therefor as the Secretary determines; and price support
20 for rice not accompanied by marketing certificates shall
21 be at such level, not more than the parity price therefor,
22 as the Secretary determines will provide orderly mar-
23 keting of rice during the harvest season and will retain
24 an adequate share of the world market for United States
25 rice producers, taking into consideration the factors

1 specified in section 401 (b) of this Act and the price
2 of rice in world markets.

3 “(2) Price support shall be made available only to
4 cooperators.

5 “(3) The level of price support for any crop of rice
6 for which the Secretary determines that the total supply
7 of rice for the marketing year will not exceed the normal
8 supply or for which marketing quotas have been disap-
9 proved by producers shall be as provided in section 101.

10 “(4) A ‘cooperator’ with respect to any crop of
11 rice produced on a farm shall be a producer who does
12 not knowingly exceed (i) the farm acreage allotment
13 for rice on the farm or (ii) except as the Secretary may
14 by regulation prescribe, the farm acreage allotment for
15 rice on any other farm on which the producer shares in
16 the production of rice. If marketing quotas are not in
17 effect for the crop of rice, a ‘cooperator’ with respect to
18 any crop of rice produced on a farm shall be a producer
19 who does not knowingly exceed the farm acreage allot-
20 ment for rice.”

21 (2) By changing the period at the end of the third sen-
22 tence in section 407 to a colon and adding the following:
23 “*Provided further*, That if a rice marketing allocation pro-
24 gram is in effect, the current support price for rice shall be

1 the support price for rice not accompanied by marketing
2 certificates.”

3 SEC. 304. Section 352 of the Agricultural Adjustment
4 Act of 1938, as amended, is amended to read as follows effective beginning with the 1966 crop:

6 “SEC. 352. The national acreage allotment of rice for
7 any calendar year shall be that acreage which the Secretary
8 determines will, on the basis of the projected national yield
9 and expected underplantings (acreage other than that not
10 harvested because of program incentives) of farm acreage
11 allotments, produce an amount of rice not less than sixty million hundredweights adequate, together with the estimated
12 carryover from the marketing year ending in such calendar
13 year, to make available a supply for the marketing year commencing in such calendar year equal to the estimated domestic
14 consumption of rice for the marketing year for which the
15 allotment is being determined, the estimated exports for such
16 year, and an adequate carryover. Such national acreage
17 allotment shall be proclaimed not later than December 31
18 of each year.”

21 SEC. 305. Section 353 (c) of the Agricultural Adjustment
22 Act of 1938, as amended, is amended by striking out
23 paragraph 6.

24 SEC. 306. Section 353 of the Agricultural Adjustment

1 Act of 1938, as amended, is amended by adding at the end
2 thereof a new subsection (g) as follows:

3 “(g) If, beginning with the 1965 crop of rice, the
4 owner or landlord of any farm in a State or administrative
5 area in which rice acreage allotments are determined pri-
6 marily on the basis of the past production of rice on the farm
7 has evicted or evicts any tenant or sharecropper on his farm
8 without just cause, or has required or requires that a tenant
9 or sharecropper pay, in addition to the rental customarily
10 paid in the community for similar land for rice production,
11 a sum of money or anything or service of value, or has forced
12 or forces a tenant or sharecropper by coercion, subterfuge,
13 or in any manner whatsoever to vacate the farm of the
14 owner or landlord or abandon the crop of rice produced by
15 the tenant or sharecropper on such farm without just cause,
16 as determined in accordance with regulations issued by the
17 Secretary, the acreage allotment next established for the
18 farm and for each succeeding year shall be reduced as pro-
19 vided in such regulations: *Provided*, That if the farm acre-
20 age allotment for a crop year has been established at the
21 time the determination under this subsection is made but rice
22 for such year has not been planted, the rice farm acreage
23 allotment for such year and for each succeeding year shall
24 be reduced as provided herein.”

1 TITLE IV—WOOL

2 SEC. 401. The National Wool Act of 1954, as amended,
3 is amended as follows:

4 (1) By deleting the second sentence of section 702 and
5 inserting in lieu thereof: "It is hereby declared to be the
6 policy of Congress, as a measure of national security and
7 in promotion of the general economic welfare, to support
8 the price of wool in such manner and at such level as will
9 encourage the domestic production of as much of the Nation's
10 requirements of wool as possible at prices fair to both
11 producers and consumers, minimize the adverse effect upon
12 foreign trade, and not result in such an increase in lamb
13 production as will depress lamb prices and reduce the total
14 returns to producers from sheep production."

15 (2) By deleting from section 703 "March 31, 1966"
16 and inserting in lieu thereof "December 31, 1967".

17 (3) Effective with respect to wool and mohair marketed
18 after the close of the 1965 marketing year, by deleting from
19 section 703 all of the provisions following the second sentence
20 and substituting therefor the following: "The price for wool
21 marketed by the producer thereof in the 1966 and 1967
22 marketing years shall be supported at such levels within
23 the three ranges prescribed in the following schedule as

- 1 the Secretary determines necessary to encourage production
- 2 consistent with the declared policy of this title:

Quantity of wool (both shorn and pulled), grease basis, marketed by a producer:	Levels of support based on parity price on date of announcement thereof
First 2,000 pounds-----	Shall be supported at not less than 75 or more than 90 per centum of the parity price.
Next 5,000 pounds-----	Shall be supported at not less than 70 or more than 85 per centum of the parity price.
Excess over 7,000 pounds-----	Shall be supported at not less than 65 or more than 80 per centum of the parity price.

- 3 “The quantity of pulled wool marketed in the form of un-
- 4 shorn lambs shall be determined at the rate of four pounds of
- 5 wool per hundredweight of live animals sold. The price for
- 6 mohair marketed by the producer thereof in the 1966 and
- 7 1967 marketing years shall be supported at such levels as
- 8 the Secretary determines are necessary to maintain approxi-
- 9 mately the same levels of support for mohair as for wool.
- 10 Mohair support prices shall not deviate more than 15 per
- 11 centum above or below the percentage of the parity price at
- 12 which wool is supported within comparable weight ranges
- 13 as determined by the Secretary. The Secretary shall, to the
- 14 extent practicable, establish and announce the levels of price
- 15 support for wool and mohair sufficiently in advance of each
- 16 marketing year as will permit producers to plan their pro-
- 17 duction for such marketing year.”

1 TITLE V—CROPLAND ADJUSTMENT

2 SEC. 501. Section 107 of the Soil Bank Act, as amended,
3 is amended as follows:

4 (1) By changing the word “three” in the first sentence
5 of subsection (a) to the word “five”.

6 (2) By deleting the word “or” immediately preceding
7 the word “other” in paragraph (1) of subsection (a) and
8 inserting immediately after the word “uses” a comma and
9 the words “or practices or uses which will establish, protect
10 and conserve open spaces, natural beauty, wildlife and
11 recreational resources, and prevent air and water pollution”.

12 (3) By amending paragraph (4) of subsection (a) to
13 read as follows:

14 “(4) Not to graze any acreage established in pro-
15 tective vegetative cover prior to the expiration of the
16 contract except pursuant to the provisions of section
17 103 (a) (3) hereof.”

18 (4) By changing the word “all” to “such” in each
19 of the two places it appears in paragraph (6) (A) of sub-
20 section (a), changing the period at the end of such para-
21 graph to a comma, and adding the following: “as the Secre-
22 tary may determine to be appropriate.”

23 (5) By amending paragraph (1) of subsection (b)
24 to read as follows:

25 “(1) To bear such part of the average cost (in-

cluding labor) for the county or area in which the farm is situated of establishing and maintaining vegetative cover or other uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area; and”.

(6) By adding a new sentence at the end of paragraph (2) of subsection (b) to read as follows: “The Secretary may make the annual payments for all years of the contract period upon approval of the contract or in such installments as he determines to be desirable.”

(7) By striking the first sentence of subsection (d) and substituting therefor the following: “A contract shall not be terminated under paragraph (6) of subsection (a) unless the violation is one which the Secretary has prescribed by regulation to be of such nature as to defeat or substantially impair the purposes of the contract.”

(8) By adding a new subsection (e) at the end thereof to read as follows:

“(e) The total acreage placed under contract in any county shall be limited to a percentage of the total eligible acreage in such county which the Secretary determines would not adversely affect the economy of the county.”

1 SEC. 502. Section 109 of the Soil Bank Act, as amended,
2 is amended as follows:

3 (1) By adding at the end of subsection (a) the follow-
4 ing: "The Secretary is authorized to formulate and announce
5 programs under this subtitle B and to enter into contracts
6 thereunder with producers during the period 1965-1970 to
7 be carried out during the period ending not later than
8 December 31, 1979."

9 (2) By inserting immediately after the word "cover"
10 in subsection (b) the following: "entered into during the
11 five-year period 1956-1960".

12 (3) By deleting the words "\$450,000,000 in any calen-
13 dar year" in subsection (c) and substituting therefor the
14 following: "in excess of amounts specified from time to time
15 in appropriation Acts."

16 SEC. 503. Sections 111 and 114 of the Soil Bank Act, as
17 amended, are amended as follows:

18 (1) Section 111 is amended by deleting the words
19 "water storage facilities, or other soil-, water-, wildlife-, or
20 forest-conserving" in subsections (a) and (b) and substi-
21 tuting therefor the word "other".

22 (2) Section 114 is amended by deleting the first two
23 words thereof and substituting therefor the words "Except
24 as the Secretary may by regulation prescribe, no person".

25 SEC. 504. Section 118 of the Soil Bank Act, as amended,

1 is amended by inserting “(a)” after “SEC. 118.” and adding
2 new subsections (b) and (c) as follows:

3 “(b) For the purpose of obtaining an increase in the
4 permanent retirement of cropland to noncrop uses the Secre-
5 tary may, notwithstanding any other provision of law, trans-
6 fer funds appropriated for carrying out this title to any other
7 Federal agency or to States or local governmental agencies
8 for use in acquiring cropland for the preservation of open
9 spaces, natural beauty, the development of wildlife and
10 recreational facilities, and the prevention of air and water
11 pollution.

12 “(c) The Secretary also is authorized to share the cost
13 with State and local governmental agencies in the establish-
14 ment of practices and uses which will establish, protect and
15 conserve open spaces, natural beauty, wildlife and recrea-
16 tional resources, and prevent air and water pollution.”

17 SEC. 505. Section 123 of the Soil Bank Act, as
18 amended, is repealed, except that such repeal shall not abate
19 any penalty previously incurred by a producer.

20 SEC. 506. (a) Notwithstanding any other provision of
21 law, the Secretary of Agriculture may, to the extent he
22 deems it desirable, provide by appropriate regulations for
23 preservation of cropland, crop acreage, and allotment history
24 applicable to acreage diverted from the production of crops in
25 order to establish or maintain vegetative cover or other ap-

1 proved practices for the purpose of any Federal program un-
2 der which such history is used as a basis for an allotment or
3 other limitation or for participation in such program.

4 (b) Section 112 of the Soil Bank Act, as amended, and
5 subsections (b) (3) and (4) and (e) (6) of section 16 of
6 the Soil Conservation and Domestic Allotment Act, as
7 amended, are repealed, except that all rights accruing there-
8 under to persons who entered into contracts or agreements
9 prior to such repeal shall be preserved.

10 TITLE VI—TRANSFER OF ALLOTMENTS

11 SEC. 601. Notwithstanding any other provision of law,
12 the Secretary, if he determines that it will not impair the
13 effective operation of the program involved, (1) may permit
14 the owner and operator of any farm for which an acreage
15 allotment, base acreage, acreage-poundage quota, or sugar
16 proportionate share (hereinafter referred to as "allotment")
17 is established under any Federal statute which is based in
18 whole or in part on the history of production of a commodity
19 on the farm to sell or lease all or any part or the right to
20 all or any part of such allotment to any other owner or
21 operator of a farm for transfer to such farm; (2) may per-
22 mit the producer to whom an allotment has been appor-
23 tioned under any Federal statute primarily on the basis of
24 the production of a commodity by the producer to sell, lease,
25 or transfer by devise or other means all or any part or the

1 right to all or any part of such producer allotment to another
2 person; and (3) may permit the owner of a farm to trans-
3 fer all or any part of such allotment to any other farm
4 owned by him: *Provided*, That (i) no allotment shall be
5 transferred to a farm in another State or to a person for use
6 in another State, (ii) no transfer of an allotment from a
7 farm subject to a mortgage or other lien shall be permitted
8 unless the transfer is agreed to by the lienholder, and (iii)
9 no transfer of allotment shall be effective until a record
10 thereof is filed with the county committee of the county to
11 which such transfer is made and such committee determines
12 that the transfer complies with the provisions of this section.
13 The transfer of an allotment shall have the effect of trans-
14 ferring also the acreage history and marketing quota at-
15 tributable to such allotment: *Provided*, That in case of a
16 transfer by lease, the amount of the allotment shall be
17 considered for purposes of determining allotments after
18 the expiration of the lease to have been planted on the farm
19 from which such allotment is transferred and the production
20 pursuant to the lease and transfer shall not be taken into
21 account in establishing allotments for years subsequent to
22 the expiration of the lease for the farm to which such allot-
23 ment is transferred. The Secretary shall prescribe regula-
24 tions for the administration of this section, which shall in-
25 clude provisions for adjusting the size of the allotment

1 transferred if the farm to which the allotment is transferred
2 has a substantially higher yield per acre, reasonable limits
3 on the size of the resulting allotments on farms to which
4 transfers are made, and such other terms and conditions
5 as he deems necessary. If the sale or lease occurs during
6 a period in which the farm is covered by a conservation re-
7 serve contract, cropland conversion agreement, or other
8 similar land utilization agreement, the rates of payment
9 provided for in the contract or agreement of the farm from
10 which the transfer is made shall be subject to an appropriate
11 adjustment, but no adjustment shall be made in the contract
12 or agreement of the farm to which the allotment is trans-
13 ferred.

14 SEC. 602. Sections 316 and 353 (f) of the Agricultural
15 Adjustment Act of 1938, as amended, are hereby repealed.

89TH CONGRESS
1ST SESSION

H. R. 7097

A BILL

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

By Mr. COOLEY

APRIL 5, 1965

Referred to the Committee on Agriculture

SUMMARY AND SECTION-BY-SECTION
ANALYSIS OF H.R. 7097

Including an Executive Communication
from the President



APRIL 5, 1965

Printed for the use of the Committee on Agriculture

U.S. GOVERNMENT PRINTING OFFICE

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Summary and Section-by-Section Analysis of H.R. 7097

EXECUTIVE COMMUNICATION

THE WHITE HOUSE,
Washington, D.C., April 5, 1965.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: We have set forth five basic policy objectives for our programs in agriculture and the rural community:

An abundance of food and fiber at reasonable and stable prices for the people of the United States;

A workable balance between supply and demand at lower costs to the Government;

Opportunity for the efficient family farmer to earn parity of income from farming operations;

Parity of opportunity for all rural people, including new opportunity for small farmers; and

Effective use of our agricultural resources to promote the interest of the United States and world peace through trade and aid.

The legislative proposals for farm commodity programs which are transmitted herewith have been prepared within the framework of these policy guides. We seek no banner to wave for partisan advantage; we seek to find in this most difficult area the means by which American agriculture and the family farm can share in our rich and growing economy as fully as they contribute to it.

For more than three decades, and particularly since the end of World War II, the United States has experienced a staggering revolution in the techniques of farming. Science and technology, applied to agronomy and animal husbandry, have brought the American people a greater abundance of food and fiber than the citizens of any nation in history have ever known. Prior to the Second World War, farming productivity was increasing at only half the rate of industrial growth; but since 1945, it has increased at twice the speed of industrial growth.

As a result, food expenditures today take a smaller part of the family income than ever before. Less than \$1 of take-home pay out of every \$5 is spent for food, and the proportion continues to decline.

However, the enormous advances in agricultural efficiency have left the farmer working harder and enjoying it less. Prices for his products are 5 percent lower today than 15 years ago. Only a small fraction of our farmers earn parity of income—returns comparable to earnings for similar work and investment. Many farmers do not even earn the minimum wage.

This inadequate return to the farmer is a consequence of the revolution of abundance in agriculture. If productivity in industry had increased in the past decade at the same rate as in agriculture, the

1963 level of industrial output could have been produced with 8 million fewer workers than were actually employed.

Commodity programs are the primary instrument which the farmer and the national economy use to cushion the force of the "output revolution." So long as the advance in agricultural technology continues to outpace the growth of population at home and the markets abroad, farm commodity programs will continue to be an indispensable element of national economic policy.

Even with commodity programs, the farms which require substantially more labor than the farm family can provide have declined in number in the postwar period; only the family farm with adequate resources has grown in number and in the volume of output. All others have declined.

The sensible policy for commercial agriculture is not to do away with commodity programs, but to improve them so that agriculture will provide an opportunity to earn a parity income for that growing group of farm families on farms large enough to be efficient.

In a real sense, the legislative proposals transmitted herewith do more than modify and extend commodity programs. They seek also to apply the forces of a vigorous marketplace to the needs of commercial agriculture so that we can turn more of our attention and more of our tax dollars to revitalizing rural life and rooting out the poverty which is all too prevalent in rural America.

The proposals provide, particularly in the case of wheat and rice, that the farmer should look to the marketplace for the dollars which will bring him closer to parity of income.

There was a time when the cost of food at the farm translated nearly dollar for dollar into retail food costs. That is no longer the case. Today, when marketing charges account for nearly two-thirds of retail food prices, even a significant rise in farm prices has far less impact than do changes in nonfarm cost. A 50-cent increase in the price of a bushel of wheat, for example, will increase the cost of a loaf of bread by little more than 1 cent.

The modifications in commodity programs also take into account world markets. Price and income support programs should not prevent the American farmer from competing effectively in world markets. The market prices for commodities under the proposals would be near world levels, as are the prices for feed grains and soybeans now.

We propose to compete fairly and vigorously for the fast-growing markets in the world. From 1958 to 1964, while the dollar value of farm products sold domestically rose by less than a billion, the dollar sales of food and fiber exports increased by nearly \$2.5 billion. The new commodity proposals will help to keep us competitive in world markets, sharing fully in future growth of food and fiber trade.

We also seek to find less costly means to achieve needed adjustments in production. Thus, the proposal for a cropland adjustment program is designed to remove up to 40 million acres of cropland through long-term contracts. We now have over 55 million acres of cropland out of production annually, most of it under the year-to-year diversions features of individual commodity programs. In the first years with only 8 million acres in the program, we estimate the savings from the cropland adjustment program compared with annual programs will be about \$35 million.

The cropland adjustment program, combined with the individual commodity programs, will provide the best and least costly means of bringing production into balance with domestic needs and export opportunities. Thus, the policies for commercial agriculture contained in this legislation are so constructed that all parts acting together provide an effective means of bridging the gap between the farmer and national prosperity while they provide all our people with continued access to food and fiber abundance.

Title I of the draft bill would extend for 2 years, with amendments, the voluntary wheat marketing certificate program enacted by the Congress last year for the 1964 and 1965 crops of wheat. This program has reduced Government costs, and has given wheat farmers added flexibility especially valuable where crop alternatives are limited. In order to provide adequate support to the incomes of wheat producers while further reducing costs to the Government and increasing our reliance on the market, the maximum level of price support which the Secretary could provide for wheat processed for use as food in the United States would be increased from 90 to 100 percent of parity. The Secretary could permit producers voluntarily to divert up to 50 percent instead of 20 percent of their allotted acreage from production, and the Secretary would be given additional discretion in establishing diversion payment rates. Other major provisions would be continued. The wheat program enacted in the Agricultural Act of 1962 would be inoperative until the 1968 crop.

Title II of the draft bill would extend for another 2 years the voluntary feed grain program first enacted on an emergency basis in 1961. This program has raised the income of feed grain producers, reduced surplus stocks by nearly 30 million tons, given farmers maximum flexibility of operation within a framework of price supports, and has provided needed stability for the livestock industry. The feed grain program would be amended to give the Secretary discretion to establish acreage diversion and price support payment rates at levels designed to meet the objectives of the program. In addition, the production of soybeans could be encouraged under new authority.

Title III of the draft bill would provide for 2 years for major amendments in the method of making price support available to producers of rice. The proposed marketing certificate program would follow the principle of the wheat marketing certificate program first enacted by the Congress in 1962 and reenacted in 1964, of provided substantial income support from domestic consumption, while supporting market prices near world levels. The Secretary would be authorized to provide price support through the mechanism of both loans and marketing certificates on the quantity of rice produced for the domestic market, in a range of 65 to 100 percent of parity. Price support for rice produced for export would be provided to producers only through loans. The level of price support loans would be related primarily to world market prices. Marketing certificates would be issued to farmers on a graduated scale in order to provide small producers somewhat higher average unit returns than larger producers. Provisions for acreage allotments and marketing quotas for rice which have operated for many years would remain in effect. The proposed revision in the method of supporting rice prices would make it possible to continue to support the incomes of rice growers while reducing Government expenditures and placing more reliance on the domestic

market to return adequate incomes to growers. The Secretary would be authorized to take such actions as he determined to be necessary to assist the industry in making the transition from the current program to the proposed program. Existing provisions of law with regard to price supports for rice would be suspended until 1968.

Title IV of the draft bill would provide for a 2-year extension and for further amendment of the Wool Act of 1954, as amended. This act has operated successfully to help stabilize wool production and bolster incomes of wool producers. Funds are provided out of customs receipts on imported wool and wool products. Amendments are proposed which would authorize the Secretary to take into account the production and the prices of lambs in determining the level price support for wool, and would remove the present requirement that the Secretary set wool price supports at levels which would encourage the production of up to 360 million pounds of wool in the United States. In addition, provision is made for graduating incentive payments according to the quantity of wool produced in order to provide higher returns to small producers.

Title V of the draft bill would provide a long-term cropland adjustment program to supplement the annual acreage diversion programs in achieving and maintaining a supply-demand balance for farm products. It is expected that substantial savings would be realized under this program compared with annual diversion under the feed grain and wheat programs. The program is designed not only to supplement the commodity programs, but also to enable elderly farmers to retire from farming while continuing to live on their farms, to assist farmers who want to reduce their farming operations in order to shift to other employment, to conserve natural resources and add to the beauty of the countryside, and to improve the quality of rural and urban life. This program would amend the Soil Bank Act to authorize the Secretary to enter into 5- to 10-year contracts during the period 1965-70 for the diversion of cropland to conservation uses. The Secretary could provide for such payments as would be necessary to encourage producers to enter into such contracts. Provision would be made also for the Secretary to cooperate with other Federal, State, and local agencies in permanently shifting cropland into public uses such as parks or recreational areas. Grazing or other agricultural uses of land contracted under this program would be prohibited except in case of emergencies. Local communities would be protected by a limitation on the percentage of the cropland acreage in any area that could be contracted. We are convinced that a long-term cropland adjustment program can provide not only substantial savings to the Government, and new opportunities for rural people, but also for long-range remedial action which will benefit the farm economy.

Title VI of the draft bill would give the Secretary of Agriculture authority to provide for the lease and sale of acreage allotments under the production adjustment programs of the Department of Agriculture. Such transfers would be limited to family-sized farms in the State of origin of the allotment. Small farmers who decide to stop farming or who have stopped farming can realize the value of their allotments while retaining their farms under this title. Operators of family-sized farms who wish to continue and to expand their farming operations could have the opportunity to increase their acreage of allotment crops.

We are continuing to study and to discuss with producers and the industry the means by which the cotton program can be improved so as to reduce the cost of the program and the level of cotton stocks while keeping cotton competitive with other fibers and in world markets.

Enclosed is a more detailed summary of the provisions of the proposed bill.

I urge that the Congress give these proposals prompt consideration.

Sincerely,

LYNDON B. JOHNSON.

SUMMARY OF PRINCIPAL PROVISIONS OF H.R. 7097

TITLE I—WHEAT

Title I would extend the voluntary wheat marketing certificate program for 2 years—1966 and 1967—with certain changes in the program features.

(1) Wheat marketing quotas would be suspended during the operation of the voluntary program.

(2) Acreage allotments would be continued for purposes of determining eligibility for price support, marketing certificates and diversion payments, but certain changes would be made to simplify the method for determining allotments. Under the new method, State, county, and farm allotments will simply be computed on the basis of the preceding year's allotment.

(3) The marketing certificate program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The number of certificates received by each farm would be based on the projected farm yield rather than the normal yield.

(b) The bill would authorize the Secretary to provide for distributing the certificates among the producers on the farm on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the wheat crop.

(c) The Secretary would be authorized to adjust the amount of certificates issued with respect to any farm for failure of a producer to comply fully.

(d) "Food products" for which marketing certificates are required to be purchased by processors are redefined to mean those products composed wholly or partly of wheat to be used for human consumption, including beverage, as determined by the Secretary.

(e) The Secretary would be authorized to exempt processors from the requirement to purchase certificates for wheat produced by a State and processed for use by the State, wheat processed for donation, and wheat processed for other noncommercial uses.

(4) The diversion program for wheat would be extended for 2 years—1966 and 1967—with the following changes:

(a) The limitation of 50 percent of the price-support rate on diversion payments would be removed.

(b) The limitation on the number of acres of additional voluntary diversion would be raised from 20 percent of the farm allotment to 50 percent of the allotment.

(c) The Secretary may permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seed, soybeans, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

(5) Price support—

(i) for wheat with domestic certificates would be between 65 and 100 percent of parity. Price support for wheat with export certificates would be at such level, not more than parity, as the Secretary determines;

(ii) for noncertificate wheat would be on the basis of competitive world prices of wheat and the feeding value of wheat in relation to feed grains.

(6) Minimum price for sales of wheat from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges, as under the program in effect for 1964 and 1965.

(7) The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

(8) After 1967, the existing provisions of law for marketing quotas, marketing certificates, and price support would again become effective.

Title I of the bill would also amend section 377 of the Agricultural Adjustment Act of 1938, as amended, to preserve the acreage allotment for the farm for any commodity in any case in which the acreage planted to the commodity is less than the allotment.

Title I would also change the marketing quota provisions on rice and wheat to provide that in computing marketing penalties, the excess production on which the penalty will be assessed will be determined on the basis of the projected farm yield instead of the normal yield. "Projected farm yield" is defined as the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such crop is produced, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

TITLE II—FEED GRAINS

Title II would extend the feed grain program for 2 years—1966 and 1967—with certain changes in the program features.

(1) Price support—

(a) If a feed grain diversion program is in effect, producers would be required, as a condition of eligibility for price support, to participate in the diversion program to the extent prescribed by the Secretary.

(i) Existing law, which would remain in effect, provides that if an acreage diversion program is in effect for feed grains, price support for corn shall be at 65 to 90 percent of parity and at comparable levels for grain sorghums, barley, oats, and rye.

(ii) A payment-in-kind, in addition to price support provided through loans and purchases, would be authorized

to be made available to producers participating in the acreage diversion program. In determining the amount or amounts of the payment-in-kind, the Secretary would be authorized to take into account the extent of participation by the producer. The payment-in-kind would be made on such part of the feed grain acreage as the Secretary determines desirable to effectuate the purposes of the program. The Secretary could permit producers to have acreage devoted to soybeans considered as devoted to feed grains for purposes of payments-in-kind. The bill would authorize the Secretary to provide for distributing the payment-in-kind certificates on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the feed grain crop. The Secretary would be authorized to adjust the payments-in-kind for failure to comply fully with the program.

(b) If an acreage diversion program is not in effect, existing law, which would remain in effect, provides that price support for corn shall be not less than 50 or more than 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats, and rye.

(2) The feed grain acreage diversion program would be similar to that in effect for 1964 and 1965 with the following changes:

(a) The limitation on payments of 50 percent of the price-support rate would be removed.

(b) The Secretary may permit the diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

(c) The program would be limited to corn, grain sorghums and, if designated by the Secretary, barley.

(d) The payment limitation of 20 per centum of the fair market value with respect to acreage involved in the program would be removed.

(e) The malting barley exemption would be removed.

(3) The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

TITLE III—RICE

Title III of the bill would authorize a marketing certificate program for rice for 2 years—1966 and 1967—similar to the marketing certificate program for wheat. Marketing quotas would remain in effect.

(1) The Secretary would proclaim a national acreage allotment equal to the number of acres which the Secretary determines will, on the basis of the projected national yield and expected underplantings of farm acreage allotments, produce an amount of rice which, together with the estimated carryover, would be adequate to make available a supply equal to estimated domestic consumption, exports, and an adequate carryover. The minimum national acreage allotment would be one which would produce not less than 60 million hundredweights of rice instead of the 1,652,596 acres specified under existing law.

(2) Producers would receive a rice marketing allocation on which marketing certificates would be issued equal to the number of hundredweights obtained by multiplying the estimated production on the allotted acres by the percentage estimated by the Secretary to be the percentage of the rice crop which will be used in the United States during the marketing year except for seed. Provision is made for issuing additional certificates to be financed by Commodity Credit Corporation on the first 1,500 hundredweight of each farmer's production. Thus, small producers would receive relatively the highest returns from marketing certificates.

(3) The marketing certificates would have a value per hundredweight equal to the difference between the price support on certificate rice and noncertificate rice.

(4) Marketing certificates would be required to cover all rice processed in the United States and all processed rice imported into the United States, but the value of the certificates would be refunded on all processed rice exported from the United States. The Secretary would be authorized to exempt processors from the requirement to purchase certificates for (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof and processed for use by the State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial.

(5) Commodity Credit Corporation would be authorized to buy and sell marketing certificates.

(6) The Secretary would be authorized to take such action as he determines would be necessary to facilitate the transition from the program currently in effect to the marketing certificate program.

(7) Price support—

(i) for rice with marketing certificates would be between 65 and 100 percent of parity;

(ii) for noncertificate rice would be at such level, not in excess of parity, as the Secretary determines will provide orderly marketing of rice and retain an adequate share of the world market, taking into consideration the price of rice in world markets and other factors.

(8) The minimum price for sales of rice from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges.

(9) After 1967, the existing provisions of law for acreage allotments, marketing quotas, and price support will again become effective.

Title III would also provide authority to reduce the rice acreage allotment for any farm if the farm owner or landlord evicts or otherwise mistreats a rice tenant or sharecropper on the farm.

TITLE IV—WOOL

Title IV would amend the National Wool Act to extend the period during which price support may be made thereunder beyond its present termination date of March 31, 1966, to December 31, 1967. The bill would further amend that act by deleting the presently stated policy of encouraging domestic production of 300 million pounds of shorn wool, and the requirement that the support level be such as will result in a production of 360 million pounds if such

support level would not exceed 90 percent of parity, and providing in lieu thereof a new policy of supporting wool at such level as will encourage domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production. Provision is made for three graduated levels of price support based upon each producer's marketings during the marketing year. Thus, small producers would receive relatively the highest returns from price support.

TITLE V—CROPLAND ADJUSTMENT

Title V would extend the Soil Bank Act to authorize a long-term cropland adjustment program under which the Secretary would be authorized to enter into long-term agreements with producers to assist them in diverting their cropland to vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, or practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, wildlife, and recreational resources, and for the prevention of air and water pollution.

The Secretary would be authorized to enter into contracts with producers during the period 1965 through 1970 to be carried out during the period ending not later than December 31, 1979. The period covered by any contract would be not less than 5 years nor more than 10 years.

Grazing would be prohibited except in the case of severe drought, flood, or other natural disaster.

In return for the producer's diverting his cropland to approved uses, the Secretary would share the cost of establishing such uses and make an annual payment to the producer for the period covered by the contract. Authority would be given to the Secretary to make the annual payments for all years of the contract upon approval of the contract or in installments.

The total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such county as the Secretary determines would not adversely affect the economy of the county.

For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, the Secretary would be authorized to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.

The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife, and recreational resources and prevent air and water pollution.

Title V would also provide authority under which the Secretary would be authorized to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to acreage which is devoted to vegetative cover and other approved uses.

TITLE VI—TRANSFER OF ALLOTMENTS

Title VI would authorize the Secretary to permit the transfer by sale, lease, or other means of acreage allotments, base acreages, and sugar proportionate shares which have been established under Federal law, including the transfer from one farm owned by a person to another farm owned by him. The Secretary could not authorize the transfer of allotments, base acreages, and proportionate shares unless he determined that the effective operation of the program involved would not be impaired.

No transfer would be permitted outside the State, from a farm subject to a mortgage or other lien unless agreed to by the lienholder, or until a copy of the transfer had been filed with the county committee of the county to which transferred and it was determined by the committee that it complied with the provisions of the statute.

The transfer of an allotment, base acreage, or proportionate share also would include the acreage history and marketing quota attributable thereto.

The Secretary would be required to prescribe regulations governing transfers including provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield, and for putting reasonable limits on the size of the resulting allotments.

If the farm from which the transfer was made was covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment in the contract or agreement would be appropriately adjusted, but no similar adjustment would be made for the farm to which the transfer is made.

Provisions of existing law authorizing leases of tobacco allotments and transfer of producer rice allotments would be repealed.

SECTION-BY-SECTION ANALYSIS OF H.R. 7097

TITLE I—WHEAT

Section 101.—This section contains 12 amendments to the Agricultural Adjustment Act of 1938, as amended.

Amendment (1) would amend section 332 to change one of the items making up the amount of the national marketing quota from the average amount of wheat which was used for livestock feed during 1959–60 to the amount of wheat which it is estimated will be used for livestock feed during the marketing year for which the quota is being determined, excluding the estimated amount of wheat used for such purposes as a result of wheat grown in lieu of feed grains under the substitution provision.

Amendment (1) would also suspend the proclamation of quotas on wheat for the 1966 and 1967 crops.

Amendment (2) would make the following changes in the provisions for computing the national acreage allotment. The national acreage allotment would be determined on the basis of the projected national yield instead of expected yields as under existing law. The acreage necessary to provide the increases in small farm allotments pursuant to section 335 would be added in the national acreage allotment rather than be established outside the national acreage allotment. This is

a technical change to make this provision conform to the changes made by amendments (3) through (8) for computing allotments. The Secretary would be given discretionary authority under this amendment to adjust the national acreage allotment as necessary to assure adequate but not excessive stocks.

Amendments (3) through (8) would provide for the determination of State, county, and farm allotments on the basis of the preceding year's allotment. This would preserve the increases given to farms with small allotments in 1964 and 1965 pursuant to section 335. In the future, such small farm allotments would be treated the same as other allotments. The so-called Anfuso amendment under which farmers who overplant their allotments lose history would not apply in any year in which there was a voluntary diversion or certificate program.

Amendment (9) would extend the diversion program for wheat for 2 years—1966 and 1967—with some changes. The limitation of 50 percent of the price-support rate on diversion payments would be removed. The limitation on the number of acres of additional voluntary diversion would be raised from 20 percent of the farm allotment to 50 percent of the allotment. (The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.)

Amendment (10) would authorize the Secretary to permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castorbeans, mustard seed, soybeans, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

Amendment (11) would amend section 377 of the Agricultural Adjustment Act of 1938, as amended, relating to preservation of unused acreage allotments, to provide that in any case in which the acreage planted to a commodity on a farm is less than the acreage allotment for the farm, the entire acreage allotment shall be considered as planted to such commodity for such year for the purpose of establishing future State, county, and farm acreage allotments.

Amendment (12) would authorize the Secretary to issue wheat marketing certificates to producers, with adjustments in the amount thereof, for performance rendered even though the producer failed to comply fully with the requirements of the program.

Section 102.—This section would extend the wheat marketing certificate program for 2 years—1966 and 1967. The number of certificates received by each farm would be based on the projected farm yield rather than the normal yield.

Section 103.—This section would amend the provisions applicable to the 1968 and subsequent crops to provide that the number of certificates received by each farm shall be based on the projected farm yield rather than the normal yield.

Section 104.—This section would extend to other specified situations the authority of the Secretary to exempt wheat from the requirement that processors and exporters purchase wheat marketing certificates. This section also would redefine "food products" for which marketing certificate are required to mean those products composed wholly or partly of wheat to be used for human consumption, including beverage, as determined by the Secretary.

Section 105.—Amendment (1) would extend to the 1966 and 1967 crops the provision in the present program which eliminates the land-use penalty.

Amendment (2) would extend to the 1966 and 1967 crops the authority in the present program which authorizes producers who exceed their wheat allotments to store their excess wheat in accordance with regulations issued by the Secretary and be eligible for wheat marketing certificates.

Amendment (3) would extend to the 1966 and 1967 crops the provision in the present program which provides that minimum price for sales of wheat from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges.

Section 106.—This section would provide that price support for wheat with domestic certificates would be between 65 and 100 percent of parity. Price support for wheat with export certificates would be at such level, not more than parity, as the Secretary determines, and for noncertificate wheat would be on the basis of competitive world prices of wheat and the feeding value of wheat in relation to feed grains.

Section 107.—This section is a technical amendment to section 339(a) to make it conform to the amendments to the acreage allotment provisions in section 101.

Section 108.—This section would authorize the Secretary to provide for distributing the certificates among the producers on the farm on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the wheat crop. This would permit taking into account the respective contributions of each producer on the farm in reducing wheat. This section also would provide that an acreage on the farm not planted to wheat because of drought, flood, or other natural disaster would be deemed to be an actual acreage of wheat planted for harvest for purposes of computing the amount of wheat marketing certificates for the farm.

Section 109.—This section contains two amendments to section 301(b) of the Agricultural Adjustment Act of 1938, as amended.

Amendment (1) would amend paragraph (8) to add a new subparagraph (B) defining the term "projected national yield" as applied to any crop of rice or wheat. The projected national yield would be determined on the basis of the national average yield of the commodity for the preceding 5 years, adjusted for abnormal weather conditions, for trends in yields, and for any significant changes in production practices. It would permit the determination of the national acreage allotment for wheat or rice on the basis of a national yield more nearly equal to the national yield which could be expected in the year for which the allotment is determined.

Amendment (2) would add subparagraphs (J) and (K) to paragraph (13). These would define "projected county yield" and "projected farm yield" for any crop of rice or wheat. The projected county yield would be determined on the basis of the yield per harvested acre for each of the immediately preceding 5 years, adjusted for abnormal weather conditions, trends in yields, and any significant changes in production practices. The projected farm yield would be determined on the basis of the yield per harvested acre for each of the immediately preceding 3 years, adjusted for the same factors as for the projected county yield. The use of these projected yields would

permit the determination of farm yields of rice and wheat more nearly equal to those expected in the year for which they would be used.

Section 110.—This section would amend the provisions of section 379c(b) relating to the storage of excess wheat to provide that, in computing the amount of wheat required to be stored, the projected farm yield shall be used in lieu of the normal yield. This section also would amend section 379i of the Agricultural Adjustment Act of 1938, as amended, relating to penalties for violations of the wheat marketing certificate program, to make it clear that the penalties are applicable only for violations committed knowingly.

Section 111.—This section contains two amendments:

Amendment (a) would redefine "normal production" as applied to wheat or rice contained in paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, so that, beginning in 1966, the projected farm yield would be used instead of the farm normal yield in the determination of the farm marketing quota and farm marketing excess.

Amendment (b) would amend paragraph (1) of Public Law 74, 77th Congress, relating to wheat marketing quotas, so that the projected farm yield would be used instead of farm normal yield in the determination of the farm marketing quota and farm marketing excess.

TITLE II—FEED GRAINS

Section 201.—This section provides that if a feed grain diversion program is in effect, producers would be required, as a condition of eligibility for price support, to participate in the diversion program to the extent prescribed by the Secretary. Existing law, which would remain in effect, provides that if an acreage diversion program is in effect for feed grains, price support for corn shall be at 65 to 90 percent of parity and at comparable levels for grain sorghums, barley, oats, and rye. A payment-in-kind, in addition to price support provided through loans and purchases, would be authorized to be made available to producers participating in the acreage diversion program. In determining the amount or amounts of the payment-in-kind, the Secretary would be authorized to take into account the extent of participation by the producer. The payment-in-kind would be made on such part of the feed grain acreage as the Secretary determines desirable to effectuate the purposes of the program. The Secretary could permit producers participating in the diversion program to grow soybeans in lieu of feed grains and still receive the feed grain payments-in-kind. The Secretary would be authorized to provide for distributing the payment-in-kind certificates on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the feed grain crop. This would permit taking into account the respective contributions of each producer on the farm in reducing feed grain. The Secretary would be authorized to make payments-in-kind, with adjustments in the amount thereof, even though there is a failure to comply fully with the program. If an acreage diversion program is not in effect, existing law provides that price support for corn shall be not less than 50 or more than 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats, and rye.

Section 202.—This section provides for a feed grain acreage diversion program which would be similar to that in effect for 1964 and 1965 with some changes. The limitation on payments of 50 percent of the price support rate would be removed. The Secretary could permit the diverted acreage to be devoted to the production of guar, soybeans, sesame, safflower, sunflower, castorbeans, mustard seed, and flax, if he determined that such production of the commodity is needed, is not likely to increase the cost of the price support program, and will not adversely affect farm income. The program would be limited to corn, grain sorghums and, if designated by the Secretary, barley. The payment limitation of 20 percent of the fair market value with respect to acreage involved in the program would be removed. The malting barley exemption would be removed. The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

Section 203.—This section would amend section 326 of the Food and Agriculture Act of 1962, which gave the Secretary authority to pay for performance rendered in reliance on erroneous advice of authorized representatives, to make it applicable to any program under which price support is extended or payments are made to farmers.

TITLE III—RICE

Section 301.—This section of the bill authorizes a marketing certificate program for rice for 2 years—1966 and 1967—similar to the marketing certificate program for wheat. The program would be in effect if marketing quotas are in effect for rice. Producers would receive a marketing allocation on which marketing certificates would be issued equal to the number of hundredweights obtained by multiplying the estimated production on the allotted acres by the national allocation percentage which is the percentage of the rice crop estimated by the Secretary that will be used in the United States during the marketing year except for seed.

Provision is made for issuing additional certificates, to be financed by Commodity Credit Corporation, on the first 1,500 hundredweight of each farmer's production. The first 500 hundredweights or less estimated to be produced on the allotted acres would receive certificates based on not less than the national allocation percentage or more than an allocation percentage of 55 percent; the next 1,000 hundredweights of production would receive certificates based on not less than the national allocation percentage or more than an allocation percentage of 45 percent; and production in excess of 1,500 hundredweights would receive certificates based on the national allocation percentage.

The rice marketing certificates issued with respect to any farm for any year could not exceed the actual acreage of rice planted for harvest multiplied by the projected yield of rice for the farm. The rice marketing certificates issued to any producer in any State or area where producer allotments are established could not exceed the actual acreage of rice planted by the producer in such State or area multiplied by the producer's projected yield. Producers would not be eligible to receive certificates with respect to any farm on which a marketing quota penalty is assessed for any commodity on the farm.

Marketing certificates would have a value per hundredweight equal to the difference between the price support on certificate rice and noncertificate rice.

Marketing certificates would be required to cover all rice processed in the United States and all processed rice imported into the United States. The value of the certificates would be refunded on all processed rice exported from the United States. The Secretary would be authorized to exempt processors from the requirement to purchase certificates for (i) rice processed for donation, (ii) rice processed for use on the farm where grown, (iii) rice produced by a State or agency thereof, and (iv) rice processed for uses determined by the Secretary to be noncommercial. Commodity Credit Corporation would be authorized to buy and sell marketing certificates.

The Secretary would be authorized to take such action as he determines would be necessary to facilitate the transition from the programs currently in effect to the marketing certificate program.

The bill authorizes the Secretary to require processors, exporters, importers, and warehousemen of rice and persons dealing in certificates to make reports and keep appropriate records. The Secretary is also authorized to prescribe such regulations as are necessary to carry out the provisions of the program.

Section 302.—This section of the bill provides the same civil forfeitures and penalties for violations of the program as are provided with respect to the marketing certificate program for wheat.

Section 303.—This section of the bill provides levels of price support for the 1966 and 1967 crops of rice. If a rice marketing allocation program is in effect, price support for rice with marketing certificates would be between 65 and 100 percent of parity, and price support for noncertificate rice would be at such level not in excess of parity as the Secretary determines will provide orderly marketing of rice and retain an adequate share of the world market, taking into consideration the price of rice in world markets and the other factors specified in section 401(b) of the price support statute. Price support would be made available only to cooperators. If marketing quotas are not in effect, price support for rice would be as provided in section 101 of the Agricultural Act of 1949.

The minimum price for sales of rice from Commodity Credit Corporation stocks would be 105 percent of the loan rate, plus reasonable carrying charges.

Section 304.—This section would amend section 352 of the Agricultural Adjustment Act of 1938 so as to change the manner of computing national acreage allotment. The existing law is changed in the following respects. The national acreage allotment would be computed on the basis of the projected national yield instead of the national average yield. The minimum national acreage allotment would be the acreage required to produce 60 million hundredweights instead of being fixed at 1,652,596 acres. The amount to be allowed for carryover would be "an adequate carryover" instead of 10 percent of the estimated domestic consumption and exports.

Section 305.—This section would repeal paragraph (6) of section 353(c) of the Agricultural Adjustment Act of 1938. Paragraph (6) provides that the national acreage allotment shall not be less than the acreage allotted for 1956, and that the national acreage allotment shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956.

Section 306.—This section would add a new subsection (g) to section 353 of the Agricultural Adjustment Act of 1938 to protect tenants and sharecroppers from eviction or other mistreatment by their landlords. In event of such eviction or mistreatment by a landlord, the Secretary could, beginning with the 1965 crop, reduce the farm acreage allotment of the landlord.

TITLE IV—WOOL

Section 401.—This section would amend the National Wool Act to extend the period during which price support may be made thereunder beyond its present termination date of March 31, 1966, to December 31, 1967. The bill would further amend that act by deleting the presently stated policy of encouraging domestic production of 300 million pounds of shorn wool, and the requirement that the support level be such as will result in a production of 360 million pounds if such support level would not exceed 90 percent of parity, and providing in lieu thereof a new policy of supporting wool at such level as will encourage domestic production of as much of the Nation's requirements of wool as possible at prices fair to both producers and consumers, minimize the adverse effect upon foreign trade, and not result in such an increase in lamb production as will depress lamb prices and reduce the total returns to producers from sheep production. Provision is made for three graduated levels of price support on wool based upon each producer's marketings during the marketing year. The first 2,000 pounds would be supported at not less than 80 or more than 90 percent of parity, the next 5,000 pounds at not less than 75 or more than 85 percent of parity, and any excess over 7,000 pounds would be supported at not less than 65 or more than 80 percent of parity. The price for mohair would be supported at such levels as the Secretary determines are necessary to maintain approximately the same levels of support for mohair as for wool. Mohair support prices would not deviate more than 15 percent above or below the percentage of the parity price at which wool is supported.

TITLE V—CROPLAND ADJUSTMENT

Title V would extend the Soil Bank Act, with certain amendments, to authorize a long-term cropland adjustment program.

Section 501.—In connection with the extension of the Soil Bank Act, this section would amend section 107(1) to provide that the minimum contract period with producers shall be 5 years instead of 3; (2) to authorize additional practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, recreational resources, and for the prevention of air and water pollution; (3) to prohibit grazing of acreage placed in the program except in the case of severe drought, flood, or other natural disaster; (4) to authorize only such forfeitures and refunds as the Secretary determines appropriate in the case of violations warranting termination of the contract (the present law requires forfeiture and refund of all payments under the contract); (5) to make it clear that the amount of cost sharing for establishing vegetative cover or other uses can be based on the average cost of establishing such practice in the county or area; (6) to authorize the Secretary to make payments in a lump sum upon approval of the contract or in such installments as he determines desira-

ble (the present law provides only for annual payments); (7) to clarify the authority of the Secretary to prescribe by regulation violations which are of such a nature as to defeat or substantially impair the purposes of the contract; and (8) to provide that the total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such county as the Secretary determines would not adversely affect the economy of the county.

Section 502.—This section would authorize the Secretary to enter into contracts with producers during the period 1965 through 1970 to be carried out during the period ending not later than December 31, 1979. The period covered by any contract would be not less than 5 years or more than 10 years. The calendar year limitation of \$450 million would be deleted to provide that contracts shall not be entered into which would require payments in any calendar year in excess of amounts specified in appropriation acts.

Section 503.—This section would (1) authorize the furnishing of conservation materials and services for the additional practices and uses which would be authorized under the act and (2) provide the Secretary with discretionary authority in requiring compliance with acreage allotments as a condition of eligibility for payments under the program.

Section 504.—Under this section, the Secretary would be authorized (1) for the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities; and the prevention of air and water pollution; and (2) to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife, and recreational resources and prevent air and water pollution.

Section 505.—This section would repeal section 123 of the Soil Bank Act which provides that any producer who knowingly and willfully grazes or harvests any crop from any acreage in violation of a contract shall be subject to a civil penalty equal to 50 percent of the compensation payable for compliance with such contract for the year in which the violation occurs.

Section 506. This section would provide authority for the Secretary to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to acreage which is devoted to vegetative cover and other approved uses. The present provisions for preservation of history under the Soil Bank Act and the Soil Conservation and Domestic Allotment Act (Great Plains and cropland conversion programs) would be repealed, except that all rights accruing thereunder to producers with existing contracts would be preserved.

TITLE V—TRANSFER OF ALLOTMENTS

Section 601.—This section would authorize the sale or lease of acreage allotments, base acreages, acreage-poundage quotas, and sugar proportionate shares (hereinafter referred to as "allotment") whether determined on a farm or producer basis. The owner of a farm could transfer all or part of the allotment for the farm to another farm owned

by him. As a prerequisite to authorization for transfer, the Secretary would have to determine that the effective operation of the program would not be impaired. No transfer would be permitted outside the State, from a farm subject to a mortgage or other lien, unless agreed to by the lienholder, or until a copy of the transfer had been filed in the county ASCS office of the county to which transferred. The transfer of an allotment, base acreage, or proportionate share would include the acreage history and marketing quota attributable thereto. In the case of a transfer by lease, the allotment leased would, for purposes of determining allotments after expiration of the lease, be considered to have been planted on the farm from which leased. The Secretary could prescribe regulations for adjusting the size of the allotment transferred if the farm to which transferred had a substantially higher yield. He could also place reasonable limits on the size of resulting allotments on farms to which transfers were made. If the farm from which the transfer was made was covered by a conservation reserve contract, cropland conversion agreement, or other land utilization agreement, the rates of payment in the contract or agreement would be proportionately adjusted, but no similar adjustment would be made for the farm to which transferred.

Section 602.—This section would repeal existing provisions of law authorizing leases of tobacco allotments and transfers of producer rice allotments.

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1875
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1870

The first of these is the fact that the land is not a single tract but is divided into many small parcels of varying sizes and shapes. This is due to the fact that the land has been owned by many different persons and has been divided into many different parts.

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1871

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS. House passed cigarette labeling bill. House committee reported public works and economic development bill. House Rules Committee cleared poverty bill. House committee approved feed grains title of farm bill.

HOUSE

1. CIGARETTE LABELING. Passed with amendment S. 559, to regulate the labeling of cigarettes. House conferees were appointed. pp. 13897-913
2. PUBLIC WORKS; ECONOMIC DEVELOPMENT. The Public Works Committee reported with amendment S. 1648, the proposed Public Works and Economic Development Act of 1965 (H. Rept. 539). p. 13943
3. POVERTY. The Rules Committee reported a resolution for consideration of H. R. 8283, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunities Act of 1964. p. 13943

4. FEED GRAINS. The Agriculture Committee "approved the feed grains title, as amended by the subcommittee" on H. R. 7097, the farm bill. pp. D557-8
5. APPROPRIATIONS. Passed with amendment H. R. 9220, the public works appropriation bill, which includes funds for St. Lawrence Seaway Development Corporation, Tennessee Valley Authority, Delaware River Basin Commission, Bureau of Reclamation, etc. pp. 13870-90
Made it in order to consider a continuing resolution any day next week.
p. 13867
6. WATER PROJECTS. Received the conference report on S. 1229, to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects (H. Rept. 538). pp. 13867-70
7. DISASTER RELIEF. Rep. Culver spoke in favor of amending the Agriculture Acts to "take into consideration floods and other natural disasters in reference to the feed grains, cotton, and wheat programs for 1965." p. 13942
8. LEGISLATIVE PROGRAM. The Majority Leader announced that the poverty bill would be taken up following the defense appropriation bill. pp. 13942-3

SENATE

9. D. C. APPROPRIATION BILL. Passed with amendments this bill, H. R. 6453. Conferees were appointed. pp. 13819-20, 13824-38
10. EXPORT CONTROL. The Banking and Currency Committee voted to report (but did not actually report) H. R. 7105, to continue the Export Control Act for 4 years. p. D555
11. TRANSPORTATION. The Commerce Committee voted to report (but did not actually report) S. 1098, to amend the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply (amended); and S. 1727, to provide for strengthening and improving the national transportation system (amended). p. D555
12. RESEARCH. The Commerce Committee voted to report (but did not actually report) S. 949, to promote economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise (amended). p. D555
13. TRADE FAIRS. The Commerce Committee voted to report (but did not actually report) H. R. 4525, to continue authority to develop American-flag carriers and promote the foreign commerce of the U. S. through the use of mobile trade fairs. p. D555
14. EDUCATION. Sen. Yarborough spoke in support of his bill, S. 9, the GI education bill, and inserted several letters commending the bill. pp. 13816-7
15. ANIMAL DISEASE. Sen. Aiken inserted a USDA release, "Vermont Holds Three National Records in Animal Disease Eradication, USDA Reports." p. 13802
16. SOIL CONSERVATION. Sen. Hill inserted an editorial, "Charging for SCS Service-- A Bad Move." p. 13807

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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Issued June 25, 1965
For actions of June 24, 1965
89th-1st; No. 114

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HIGHLIGHTS: House committee approved cropland adjustment title of farm bill. Both Houses passed bill to continue Area Redevelopment Act 2 months. Senate committee voted to report housing bill. Senate subcommittee approved bill to establish Department of Housing and Urban Development.

SENATE

- 1. AREA REDEVELOPMENT.** Both Houses passed without amendment H. J. Res. 541, to continue for 2 months (through Aug. 31) the Area Redevelopment Act. This measure will now be sent to the President. pp. 14131, 14182-91
- 2. HOUSING.** The Banking and Currency Committee voted to report (on June 28) "an original bill embodying a proposed Housing and Urban Development Act of 1965." p. D571
A subcommittee of the Government Operations Committee approved S. 1599, to establish a Department of Housing and Urban Development. p. D572
- 3. RECLAMATION.** Considered S. 602, to expand the scope of the Small Reclamation Projects Act. The Congressional Record states that the bill was passed. However, the majority leader and the Daily Digest state that it will be considered further today. pp. 14152-4, D571

4. ADMINISTRATION. The Government Operations Committee submitted a report on a study of activities relating to inter-agency coordination, economy, and efficiency (S. Rept. 369). p. 14155
5. LEGISLATIVE PROGRAM. In addition to the small reclamation projects bill, the majority leader stated that today (or soon) the Senate would also consider several bills including the one on export control, that the military construction bill will come up Mon., and that the Senate may meet early on some days next week so it may take the long July 4 weekend recess. pp. 14154, D571

HOUSE

6. TREASURY, POST OFFICE, AND EXECUTIVE OFFICE APPROPRIATION BILL, 1966. Received the conference report on this bill, H. R. 7060 (H. Rept. 550). p. 14230
7. CROPLAND ADJUSTMENT. The Agriculture Committee "approved the cropland adjustment title on H. R. 7097," the farm bill. p. D573
8. FARM PROGRAM. Rep. Langen stated "millions of dollars of needed farm income have been lost to U. S. farmers as a result of CCC dumping," and inserted a task force statement on CCC resale prices. pp. 14215-16
9. EDUCATION. The Education and Labor Committee voted to report (but did not actually report) H. R. 9022, to provide financial assistance in the construction and operation of public elementary and secondary schools in areas affected by a major disaster, to eliminate inequities in the application of Public Law 815 in certain military base closings, and to make uniform eligibility requirements for school districts in Public Law 874. p. D573
- The "Daily Digest" states that the Education and Labor Committee "adopted the subcommittee print on the higher education bill (H. R. 3220), as amended, a clean bill to be introduced." p. D574
10. WATER RESEARCH. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 7092 (amended), to expand, extend, and accelerate the saline water conversion program. p. D574
11. HIGHWAYS. The Public Works Committee voted to report (but did not actually report) H. R. 6790 (amended), to increase the limitation on emergency relief for the repair or reconstruction of highways under 23 U. S. C. 125. p. D574
12. FOREIGN AID. Reps. Halpern and Ottinger spoke against renewal of shipment of food to Egypt. pp. 14211-12, 14216
13. PERSONNEL; PAY. Rep. Gilbert spoke in support of the bill to adjust the salaries of postal and classified Federal employees and inserted his testimony before the subcommittee. pp. 14216-17
14. ECONOMIC POLICY. Rep. Boggs praised the economic growth and prosperity of the U. S. pp. 14219-27
15. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon. there will be a continuing resolution and that beginning Mon. the housing bill, the poverty bill, and the conference report on the Post Office and Treasury appropriation bill will be considered. p. 14209.
16. ADJOURNED until Mon., June 28. p. 14209

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HIGHLIGHTS: Senate subcommittees approved agricultural appropriation bill and intergovernmental relations bill. House committee approved wheat title of farm bill.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1966. A subcommittee of the Appropriations Committee approved for full committee consideration with amendments this bill, H. R. 8370. p. D579.
2. RECLAMATION. Passed as reported S. 602, to expand the scope of the Small Reclamation Projects Act so as to increase the authorization from \$100 million to \$200 million, raise the limitations on Federal loans and grants for single projects from 5 million to \$7.5 million, make the interest rate the average rate payable to the Treasury rather than the average on long-term Government obligations; provide for fish and wildlife facilities; provide for affirmative committee action to accelerate projects, etc. pp. 14271-2
3. WATER PROJECTS. Agreed to the conference report on S. 1229, to provide uniform policies with respect to recreation and fish-wildlife benefits and costs of Federal multi-purpose water resource projects. This bill will now be sent to the President. pp. 14276-80

4. INTERGOVERNMENTAL RELATIONS. A subcommittee of the Government Operations Committee approved for full committee consideration with amendments S. 561, the proposed Intergovernmental Cooperation Act of 1965. p. D579
5. POVERTY. Sen. Nelson submitted, for himself and others, an amendment to S. 1759, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964. pp. 14235-6
6. SOIL CONSERVATION. Sen. Murphy inserted a Calif. Legislature resolution urging Congress "to give the necessary and adequate support to the continuance of the agricultural conservation program and the Soil Conservation Service." p. 14258
7. EDUCATION. Sen. Yarborough inserted a letter supporting his GI education bill. p. 14258
8. FARM PROGRAM. Sen. Mondale stated, "We must not fail to find the way to permit our family farmers to operate on a business-like basis, with an adequate return on labor and capital," and inserted tables showing farm operating figures. pp. 14262-8
9. WATER. Sen. Kennedy, N. Y., inserted an article, "Water Ration in Northeast a Possibility." pp. 14268-9
10. RECESSED until Mon., June 28. p. 14309

HOUSE

11. APPROPRIATIONS. Received (June 23) supplemental appropriation estimates for the Labor Department as follows: \$126,070,000 for manpower development and training activities; and \$1,968,000 "to permit expansion of farm labor employment activities so that the Secretary of Labor may more quickly and accurately determine the need for temporary entry into the United States of foreign agricultural workers to aid in the planting and harvesting of crops." (H. Doc. 211)
12. WHEAT. The Agriculture Committee "approved the wheat title on H. R. 7097," the farm bill. p. D580

ITEM IN APPENDIX

13. FARM LABOR; FOOD PRICES. Extension of remarks of Rep. Talcott stating that "the manmade disaster caused by the withdrawal of competent labor is the true basic cause" of increased prices for food and inserting an article, "Food Prices--Where They're Headed." pp. A3345-6

BILL INTRODUCED

14. ASC COMMITTEES. S. 2206 by Sen. Monroney, to extend certain benefits of the Annual and Sick Leave Act, the Veterans' Preference Act, and the Classification Act to employees of county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act; to Post Office and Civil Service Committee.

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COMMITTEE HEARINGS JUNE 28:

Farm bill, S. Agriculture. Extension of poverty program, S. Labor. Foreign Aid authorization, conferees (exec). Continuing resolution, H. Appropriations (exec).

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HIGHLIGHTS: Both Houses passed appropriations continuing resolution. Senate passed military construction bill including item to repay CCC. House debated housing bill including title on rural housing. Senate committee reported housing bill, including title on rural housing. Sen. Kuchel inserted his testimony criticizing the rice provisions of the farm bill. Rep. Purcell urged postponement of referendum on mandatory wheat program for 1966.

SENATE

- 1. APPROPRIATIONS.** Both Houses passed without amendment H. J. Res. 553, the appropriations continuing resolution. This measure will now be sent to the President. Sen. Hayden stated: "This joint resolution is similar to continuing resolutions ...agreed to in prior years, and provides, pending the enactment of the regular appropriation bills, for the continuation of appropriations for programs and activities of the Federal Government. All authority under this resolution expires on July 31, 1965." pp. 14313-6, 14392, 14425.
- 2. MILITARY CONSTRUCTION.** Passed, 89-0, as reported H. R. 8439, the military construction bill, which includes an item for payment of CCC for certain family housing which was financed from the sale of surplus commodities. Senate conferees were appointed. pp. 14460-93

3. TREASURY-POST OFFICE APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 7060. The bill will now be sent to the President. pp. 14316-9, 14480-1
4. BANKING; FOREIGN TRADE. The Foreign Relations Committee reported with amendments S. 1742, to authorize amendments to the articles of agreement of the International Bank for Reconstruction and Development and the International Finance Corporation (S. Rept. 372)(p. 14422). Several Senators discussed this and related matters (pp. 14422, 14447-51, 14451-5, 14492-3).
5. HOUSING LOANS. The Banking and Currency Committee reported without amendment an original bill, S. 2213, on housing and urban redevelopment, including a title on rural housing loans (S. Rept. 378). p. 14422
6. PUERTO RICO. Passed without amendment S. 2154, to extend the life of the Commission on the Status of Puerto Rico through September 30, 1966, and increase its authorization. pp. 14395-6
7. RICE. Sen. Kuchel inserted his testimony opposing the rice provisions of S. 1742, the farm bill. p. 14428
8. FORESTRY. Sen. McGee inserted an article describing the Flaming Gorge Dam. pp. 14435-6
9. AIR POLLUTION. Sen. Ervin inserted an article on the "damaging effects of air pollution." pp. 14438-9
10. TRUTH-IN-PACKAGING. Sen. Morse inserted statements favoring the truth-in-packaging bill. pp. 14440-1

HOUSE

11. D. C. APPROPRIATION BILL, 1966. Conferees were appointed on this bill, H.R. 6453 (p. 14313). Senate conferees have not yet been appointed.
12. HOUSING LOANS. Began debate on H. R. 7984, to assist in the provision of housing for low and moderate income families, to promote orderly urban development, to improve living environment in urban areas, and to extend and amend laws relating to housing, urban renewal, and community facilities. This bill contains a title on rural housing loans. pp. 14327-51, 14379-80
13. WATERSHEDS. The Public Works Committee approved the work plans for the following watersheds: Lower Little Tallapoosa River, Ga.; Uncle John Creek, Okla.; Wilson Spring Creek, Tenn.; Attoyac Bayou, Tex., Castleman Creek, Tex.; and Donahoe Creek, Tex. pp. 14312-13
14. FARM LABOR. Rep. Cohelan stated that Labor Secretary Wirtz has "done a commendable job in the administration of his responsibilities involving foreign labor" since the termination of the bracero program and reviewed and evaluated the situation. pp. 14364-73
15. WHEAT. Rep. Purcell stated "action is urgently needed to postpone the date for holding a national referendum on a mandatory wheat program for 1966, pending final decision on an extension of the present voluntary wheat program" as farmers are now planning their winter crops. pp. 14381-2

McCarthyism, but suddenly the democratic process, under a most democratic President, seems to have shuddered to a halt.

It would be quite unfair to blame President Johnson. He is intolerant, occasionally angry and demanding of agreement. He has at his disposal the greatest and best prepared forces that any free country has ever produced in time of peace, and now, in Washington, it is perfectly plain that he and he alone will make the decision on how these forces will be used.

Washington, for the only time in its history, has become a one-man city and all the ministers and advisers who surround him are only his servants.

THE NEED OF A NEW U.S. POLICY IN SOUTHEAST ASIA

Mr. GRUENING. Mr. President, on June 12, at the Santa Monica Civic Auditorium in Santa Monica, Calif., the distinguished Senator from Oregon [Mr. MORSE] delivered a brief but important address which he began by stating:

Today, the American people and the world are being told that our foreign policy must be left to the Chief Executive and his small handful of advisers because it is too complicated and too important for the American people to understand.

He goes on to say:

The consensus on Vietnam sought today is not a consensus of our people, nor even of the community of nations; it is a consensus among the State Department, Defense Department, CIA, and White House staff. Once that is achieved, the questions from the Congress and the people are hushed up with rebukes suggesting that to ask where we are going in southeast Asia and how we are going to get there amounts to giving aid and comfort to the enemy.

The Senator from Oregon goes on to point out how many of our leaders who have been guiding policy have been mistaken. He points out, for example, that on July 8, 1954, the chief of the U.S. military aid mission in Vietnam, Gen. John O'Daniel, declared:

The war in Indochina can still be won without bringing in one single American soldier to fight. The Vietnamese have ample manpower and even today outnumber the enemy by 100,000 with superior firepower at least in the ratio of 2 to 1, and probably more. And we are ready to assist them in training an adequate national army for the security of their homeland.

The Senator from Oregon goes on to mention more mistaken prophecies; for example, one by Secretary McNamara when he prophesied that in 1965 our military mission would be ended in South Vietnam and we would be withdrawing our troops.

Senator MORSE concludes by saying:

This is no longer an issue of whether an American protests against the war in Vietnam give aid or encouragement to the Vietcong. It is an issue of whether southeast Asia is going to be saved from war and communism by our present policy, and I say it is not. We are driving Asians by the millions into the arms of communism.

The Senator from Oregon concludes with this statement:

The American people must demand a new policy in Asia, not only one of legality and humanity, but most important, one that will work.

Mr. President, I ask unanimous consent to have the full text of the remarks of the Senator from Oregon printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR WAYNE MORSE, SANTA MONICA CIVIC AUDITORIUM, SANTA MONICA, CALIF., JUNE 12, 1965

Today, the American people and the world are being told that foreign policy must be left to the Chief Executive and his small handful of advisers because it is too complicated and too important for the American people to understand. The consensus on Vietnam sought today is not a consensus of our people, nor even of the community of nations; it is a consensus among the State Department, Defense Department, CIA, and White House staff. Once that is achieved, the questions from the Congress and the people are hushed up with rebukes suggesting that to ask where we are going in southeast Asia and how we are going to get there amounts to giving aid and comfort to an enemy.

Fifty-two years ago it was similarly unpatriotic to ask questions of Kaiser Wilhelm and Von Moltke, Poincare and Joffre, Asquith and Lord Grey. To question national aims and the means employed to pursue them has, throughout modern history, been silenced as a service to an enemy, just as though all wisdom lay with those in office and none with those who must always pay for the achievement of national aims.

And what a river of blood those men caused to flow across Europe. We look back on the events of two World Wars and we wonder how the people who suffered such terrible misery could have allowed themselves to be propelled into World War I by leaders who today are remembered for their utter blindness and folly in thinking that any of their national aims could be achieved by resort to war and violence.

Yet the same ominous signs of an imposed and enforced national unity are being seen in America today. One of the popular exhibits flashed about by foreign policy officials of our Government is a collection of news broadcasts and published stories from Hanoi and Peiping which express the belief of the Communists that America is weak and divided on its Asian policy as evidenced by teach-ins, by the votes in Congress against blank-check war, and by student disturbances and rallies. No doubt the reports of this meeting will be made in the Communist countries of Asia and cited as an indication that if the war lasts long enough, Americans, like the French before us, will tire of the struggle and give up. And there will be newspaper stories here that will try to convince the public that only Communists and promoters of Communist causes could do such a thing as to question the soundness of American foreign policy as handed down by the combined wisdom of the Defense Department, the State Department, the CIA, and the White House staff.

But what is the record of these people in southeast Asia? Their record is one of having been wrong not once but consistently over 11 years.

On July 8, 1954, the chief of the U.S. military aid mission in Vietnam, Gen. John O'Daniel, declared, and I quote:

"The war in Indochina can still be won without bring in one single American soldier to fight.

"The Vietnamese have ample manpower and even today outnumber the enemy by 100,000 with superior firepower at least in a ratio of 2 to 1, and probably more. And we are ready to assist them in training an

adequate national army for the security of their homeland."

We banked over \$2 billion on President Diem for this purpose. And 8 years later we consented to his assassination as a means of removing him because he was losing more and more of South Vietnam to the Vietcong.

In the last 4 years, the record of administration officials has been even worse. With each mission to South Vietnam, we were told by the Secretary of Defense or of State that one more increment of American funds, or helicopters, or advisers would be the one that would put the war effort over. We even heard the Nation's leading expert on Vietnam, Secretary of Defense McNamara, tell us a little over a year ago that 1965 was the year when the American military could come home from Vietnam. His chief announcements today take the form of revealing new assignments of units to Vietnam, the dispatching of more Navy vessels to Vietnam, and the increase in U.S. air raids in Vietnam.

Yet these are the men to whom Americans are told they must place complete, unquestioning, and uncritical confidence. I say that aside from every other objection to such a resignation from our duties as citizens, these people have been too wrong for too long to justify any confidence at all.

But I predict that they will continue to widen and expand this war unless the American people rise to stop them. The next move is not long off because the impact of the last expansion of the war is wearing off.

We are already being prepared through the press for another escalation. We are already reading that while the air raids on the North gave a great boost to the morale of the South, the "boost" is wearing off, and something more will be needed to bolster Saigon back up again.

In his prize-winning account of our adventure with Ngo Dinh Diem, David Halberstam wrote:

"In the spring and summer of 1962, the arrival of the American helicopters had given the faltering cause in Vietnam a booster shot. It had not altered the nature of the war or the enemy's techniques, but they were caught off guard by the new equipment and the increased firepower of the government troops."

But, he continues:

"A year after the American buildup of weaponry and personnel had reached its peak, it was clear that the government had lost the initiative, that the enemy had benefited more from the weapons than we had, that his capacity had increased more than the Army of South Vietnam in the past year, and that with the failure of the Government civic program the guerrillas' tactical position was also superior.

"The American buildup which had been prompted by a deteriorating situation in late 1961, had lost its edge and momentum; the Communists had learned to react, and thanks to the outposts the enemy had been able to use the Government as a supply store."

The raids on the North by American planes have gone through much the same pattern. Great rejuvenation was reported among the soldiers and politicians of the South. But Sunday (June 6) the New York Times tells us that "in the last 8 days the Vietcong guerrillas have dispelled almost all the optimism that the South Vietnamese Government had been promoting for 3 months. The Communist forces appear to have proved, if there were doubts, that the South Vietnamese Army fared well all spring only by default."

This time the American response has been to move American ground forces in to do the fighting, in addition to the bombing. Sixty thousand troops are now the legacy of General O'Daniel's policy that 600 U.S. military

men could train and equip South Vietnam to defend itself.

These people are wrong about Vietnam, and they have been wrong for 10 years. If we have learned anything at all there, it must be that the United States cannot impose alone its own enforcement of the Geneva agreement upon Vietnam. We are sliding ever closer to the abyss of total war in the attempt.

If there is to be peace in Vietnam, and if there is even to be defeat of the Communists in Vietnam, it will have to come through an international peace force. It is still not too late for the United States to seek such an international peace force either through the Southeast Asia Treaty Organization or through the United Nations, or possibly through the Afro-Asian peace force suggested by Indian Prime Minister Shastri. I am not deterred by the objection that China or North Vietnam or the Soviet Union is opposed to an international police force. They are certainly opposed to our bombing of North Vietnam but we are doing it so it is not opposition from the Communists that determines whether we will follow a given policy.

The difference is that an international peace-keeping mission has some chance of bringing peace to Vietnam. The United States has not brought peace to Vietnam, and we have not saved it from communism, either. The terror tactics of the Communists in the villages of South Vietnam are matched in full measure by the horror visited upon them by American napalm, strafing, and bombing. We read over the weekend that after American planes had bombed the Vietcong retreating into the hills of central South Vietnam, "One estimate was as high as 500 killed by the strikes. The American contention is that they were Vietcong soldiers. But three out of four patients seeking treatment in a Vietnamese hospital afterward for burns from napalm were village women."

The Communists murder and kidnap and maim the villagers; we burn them with jellied gasoline. That is some record of fighting for freedom. It is interesting that the Pentagon Building puts out careful statistics of the number of South Vietnamese killed each month by Vietcong terrorists, but tells me it has no figures on South Vietnamese killed in the military action of American and South Vietnamese soldiers.

This is no longer an issue of whether American protests against the war in Vietnam give aid or encouragement to the Vietcong. It is an issue of whether southeast Asia is going to be saved from war and communism by our present policy, and I say it is not. We are driving Asians by the millions into the arms of communism.

The American people must demand a new policy in Asia, not only one of legality and humanity, but most important, one that will work.

TRIBUTE TO SENATOR SCOTT

Mr. KUCHEL. Mr. President, the June issue of the "Republicans for Progress" singles out the distinguished Senator from Pennsylvania [Mr. Scott] for one more indication of his dedicated service to the Republican Party. I ask unanimous consent that this tribute to Senator Scott be printed in the RECORD.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

NEW STAR?

Senator HUGH SCOTT, Republican, of Pennsylvania, who has had his share of political honors, both elective by the people and appointive by his party, is donning a new robe. At the recent successful testimonial (ticket-

selling) dinner honoring Senator DIRKSEN at \$500 a ticket, the champion fund-raiser in the Senate, Senator MORTON of Kentucky, did nothing to lose that position of eminence. But Senator SCOTT, the new vice chairman of the Senate Republican campaign committee, which is headed by MORTON, was not far behind in what, for SCOTT, is a relatively new party role.

REMARKS OF SENATOR KUCHEL IN OPPOSITION TO TITLE III (THE RICE PROGRAM) OF SENATE BILL 1702

Mr. KUCHEL. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of my prepared remarks—presented, last week, to the Senate Committee on Agriculture and Forestry—in opposition to title III, the rice program of Senate bill 1702.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KUCHEL IN OPPOSITION TO TITLE III (RICE) PROGRAM OF S. 1702 BEFORE SENATE COMMITTEE ON AGRICULTURE, JUNE 25, 1965

Representatives of our rice industry in California have expressed their grave concern as to title III of S. 1702. I completely agree with their position. Such concern is merited.

In the name of economy, it is proposed to reduce by \$50 million agriculture expenditures for foreign aid and rice price support programs. This is to be accomplished by the device of eliminating export subsidies and lowering support for all rice shipped in export to world price levels. With the realization that such prices would be far too low to provide sufficient income for growers, it is then proposed to increase support prices on rice sold in domestic markets, thus compensating growers for the reduced support in export. This expenditure would be financed by a tax on all rice milled for the domestic market. Such a milling tax would be passed on to the consumers directly by millers.

Unfortunately for the consumer, as a result of these proposals, the price of rice would be increased by 5 cents per pound. This amount has been confirmed by officials of the Department of Agriculture. California rice now sells for approximately \$9.50 per hundredweight, f.o.b. mill; thus, the increase would be in excess of 50 percent before the imposition of various trade channel markups prior to reaching the consumer.

The largest users of rice in many areas, however, are those who have the lowest per capita income. Consequently, the inflationary aspects of such an increase in rice prices on a commodity which is the basic food for millions of people stands in sharp conflict with the concept and purposes of the anti-poverty program. For example, in Puerto Rico, which is the single largest market for California rice, it is estimated that the rice program now proposed by the administration would cost consumers there \$15 million annually as compared to an estimated benefit of only \$7 million which they will secure from the anti-poverty program.

While title III of S. 1702 is advocated on the basis of a national average consumption of 7 pounds per capita, Government economists have failed to give proper weight to the established fact that per capita consumption is in excess of 100 pounds in areas as Puerto Rico, Hawaii, and parts of California and New York. They have also failed to give weight to the loss of essential business with food processors who would find it extremely difficult to pass this increase in

cost along to consumers in competition with other cereals using other commodities lower in price than rice. The result surely would be a drastic decline in the consumption of rice and a worsening of the market. I also have grave doubts as to whether programs authorized by Congress on the judgment that they are for the general welfare such as foreign aid programs using rice should be financed by milling taxes levied on those whose historical dietary habits result in a consumption rate of rice 20 times the national average.

I repeat: Approval of this legislation will surely result in a drastic reduction in domestic consumption with the result that even more Government funds will be required to handle surpluses, which will accumulate in the long run, thus nullifying whatever short run Government economies might be temporarily accomplished.

California, in addition to being a leading rice-producing State, is also a leading State in consumption. My State contains in excess of 2 million citizens of Latin American and oriental extraction to whom rice is still a basic food. This proposed program would thus work great hardship on many of our fellow Americans.

I am confident, Mr. Chairman, that the Senate Committee on Agriculture will give thoughtful consideration to the testimony of the rice growing and milling industry which will be presented in opposition to title III. The industry has assured the Secretary of Agriculture of their desire to sit down with him and work out a realistic program which would result in economies under the existing law. I deeply hope that this will be done with the consequent advantage for the taxpayers and consumers of our country.

TRADE UNION SUPPORT FOR PRESIDENT JOHNSON'S POLICY IN DOMINICAN REPUBLIC AND VIETNAM

Mr. DODD. Mr. President, while there has been confusion in certain sectors of the American press and of the American public on the question of the Dominican Republic, I think it important to point out that there was no such confusion in the ranks of the American trade union movement.

The AFL-CIO realized, on the basis of their own information, that the Communists were on the verge of taking over the Dominican Republic, and that they were frustrated only by American intervention.

The AFL-CIO executive council, in its meeting last month, welcomed "the prompt and energetic measures taken by the President to prevent the Communist attempt to seize control of the Dominican democratic revolutionary movement and to foist a Castro-type dictatorship on Santo Domingo."

The statement went on to say that—"Had our Government shown such prompt initiative in 1959, Cuba would today be a free country, and not a Communist slave state."

The Inter-American Regional Organization of Workers—ORIT—an organization which embraces most of the important labor unions in the hemisphere, adopted a resolution, couched in similar terms, supporting American intervention:

We must point out that the unilateral action of the U.S. Armed Forces in this grave Dominican conflict has, on the one hand, served to save thousands of lives and, at

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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
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HIGHLIGHTS: House committee approved new cotton bill. Senate passed bill to postpone wheat referendum.

SENATE

1. WHEAT. Passed without amendment H. R. 9497, to permit postponement of the wheat referendum until 30 days after the current session of Congress ends. This bill will now be sent to the President. p: 15589
2. HEALTH. By a vote of 68 to 21, passed with amendments H.R. 6675, to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the Old-Age, Survivors, and Disability Insurance System, etc. Conferees were appointed. pp. 15499-15586

3. TRANSPORTATION. Passed with an amendment H. R. 5401, to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system, after substituting the language of a similar bill, S. 1727. Consideration of S. 1727 was indefinitely postponed. As passed the bill includes provisions as follows: Authorizes the ICC to enter into cooperative agreements with the States to enforce State and Federal economic and safety laws relating to highway transportation. Provides for the establishment of standards for the registration within the States of certificates and permits issued to motor carriers by ICC. Requires motor carriers and freight forwarders to pay reparations to shippers charged unlawfully high rates. pp. 15586-9
 4. PUBLIC LANDS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee: S. 1764, with amendment, to authorize the acquisition of certain lands within the boundaries of the Uinta National Forest, Utah; and S. 1190, to provide that certain limitations shall not apply to certain land patented to Alaska for the use and benefit of the State. p. D629
A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee without recommendation S. 625, to authorize the sale of isolated or disconnected tracts of land. p. D629
 5. LEGISLATIVE APPROPRIATION BILL, 1966. This bill, H. R. 8775, was made the unfinished business. p. 15589
 6. FARM PROGRAM. Sen. Nelson submitted amendments intended to be proposed to S. 1702, the farm bill, to provide a federally funded and State-administered program of wildlife service payments for farmers who retire cropland for five years or more to manage the land for wildlife production and recreation, and to establish a permanent advisory committee to the Secretary of Agriculture to make recommendations annually on wildlife and recreation aspects of the farm program. pp. 15607-9
 7. PERSONNEL; PAY. Received the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal employment and pay for May 1965. pp. 15591-5
 8. STOCKPILE. Received the report of the Joint Committee on Nonessential Federal Expenditures on Federal stockpile inventories as of April 1965, including CCC commodities. pp. 15595-604
 9. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the legislative branch appropriation bill will be considered on Mon., followed by consideration of the independent offices appropriation bill, the agricultural appropriation bill, and the housing and urban development bill. pp. 15589-90
 10. ADJOURNED until Mon., July 12. p. 15637
- HOUSE
11. COTTON. The "Daily Digest" states that the Agriculture Committee "approved H. R. 9745 (amended, a clean bill in lieu of H. R. 9414), the cotton bill." p. D 630
 12. LANDS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 5984 (amended), to amend R.S. 2275 and 2276, with respect to certain lands granted to the States. p. D630

tion meets this year at Beach Bend Park in Bowling Green, Ky., to enjoy one of America's most popular outdoor activities.

The benefits of camping are increasingly apparent in our growing Nation, where the gap between man and nature becomes ever wider. The millions of Americans who do take advantage of our beautiful State and national parks and of our forest, and other natural wonders know and appreciate the natural beauty of this land. The National Campers and Hikers Association seeks to encourage more families to take up this sport, and teaches them how to help preserve our natural heritage.

As wholesome recreation for families, camping also serves to bring Americans together in good fellowship. I believe it fitting that we recognize the value of this activity by calling the attention of Congress and the country to the annual convention of the National Campers and Hikers Association, and I hope this week can become an annually recognized observance.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 95) to designate the period beginning July 11, 1965, and ending July 17, 1965, as National Family Campers' Week, introduced by Mr. COOPER, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROVISION FOR STUDY TO BE MADE CONCERNING PROFIT-SHARING AND STOCK-OWNERSHIP PLANS

Mr. JAVITS. Mr. President, I submit for appropriate reference, and ask that it be received and appropriately referred, a concurrent resolution designed to trigger a study by the Labor and Public Welfare Committee into the potentialities of more widespread profit-sharing, including stock ownership, by employees. The study would be ordered completed by January 31, 1967, and the committee would be authorized to spend \$50,000 for staff and consultants.

The purpose of the resolution, which is similar to one that I submitted in the last Congress, is to bring up to date the only full examination of this important area, which was made in 1939 by a subcommittee of the Committee on Finance, chaired by the late Senator Arthur H. Vandenberg. In its report, that subcommittee concluded that profit-sharing is "essential to the ultimate maintenance of the capitalistic system." The 26 years since then have wrought revolutionary social and economic changes in American life. The considerable experience gained by business and labor in an estimated 100,000 existing profit-sharing plans must be evaluated; the available incentive techniques must be reappraised.

Only since the 1939 survey, for example, has the use of incentive tax exemptions and rewards to stimulate specific forms of economic activity become widely accepted. Its most recent use was in the 1962 incentive credit for investment in plant and machinery.

The use of such tax incentives to encourage profit sharing deserves thorough reconsideration. As pointed out by the minority in the 1964 annual report of the Joint Economic Committee, existing law on restricted stock options has generally not furthered stockholding among wage workers.

The pressure of advancing automation and technological change requires a careful analysis of profit sharing. The potentialities of profit sharing for economic advance—by giving labor a stake in increased production and industrial peace in lieu of the constant escalation of wages and the constant shortening of the hours of work—make the study I propose of the highest importance.

Mr. MURPHY. Mr. President, I ask unanimous consent that my name may be added as a cosponsor to the concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask that the resolution be referred to the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. If the request of the Senator from New York is that the study be made by the Committee on Labor and Public Welfare, or an appropriate subcommittee thereof, then, without objection, it is so ordered. The concurrent resolution will be referred to the Committee on Labor and Public Welfare.

The concurrent resolution (S. Con. Res. 42) was referred to the Committee on Labor and Public Welfare, as follows:

Resolved by the Senate (the House of Representatives concurring) That the Committee on Labor and Public Welfare or any duly authorized subcommittee thereof, as authorized by the Full Employment Act of 1946, as amended, is authorized and directed (1) to conduct a full and complete study and investigation of any and all matters pertaining to profit sharing (including stock ownership) by employees with particular emphasis upon such matters as the types of profit-sharing plans available to employees, the means by which such employee profit sharing can be encouraged by the Federal Government, and the relationship between profit sharing and increased productivity; and (2) to report to the Senate at the earliest practicable date, but not later than January 31, 1967, the results of its study and investigation together with such recommendations as it may deem desirable.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized through January 31, 1967 (1) to appoint and fix the compensation of such experts, consultants, or organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable; and (2) to hold such hearings, to sit and act at such times and places, to require by subpoena or otherwise, the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, and take such testimony, and to make such expenditures, as it deems advisable. Subpenas shall be issued under the signature of the chairman of the committee or the chairman of the subcommittee and shall be served by any person designated by them.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed \$50,000 through January 31, 1967, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PROPOSED WILDLIFE AND RECREATION PROGRAM FOR RETIRED CROPLAND

AMENDMENT NO. 339

Mr. NELSON. Mr. President, I submit an amendment to title V of S. 1702, the farm bill introduced by the Senator from Louisiana [Mr. ELLENDER]. One amendment would provide a federally funded and State-administered program of wildlife service payments for farmers who retire cropland for periods of 5 years or more, manage it for wildlife production, and open it to the public for hunting and other recreation. The other would establish a permanent advisory committee to the Secretary of Agriculture to make recommendations annually on wildlife and recreation aspects of the farm program.

The long-term cropland adjustment program in title V offers a sound approach to two pressing national problems—the need for crop acreage cutbacks to reduce farm surpluses and the need for public use of some of our private lands for recreation, hunting, and forestry. My amendments deal with the second problem.

National farm policy should be offering more in meeting the pressures on outdoor recreation resources. And now that we are considering financing the diversion of substantial acreage of private lands, we also should be insisting on assurances of substantial public benefits.

It is true that the public areas designated now for outdoor recreation include one-eighth of the total land of the country. Millions of additional acres are used for recreation in one way or another. But this apparent abundance in many ways fails to provide an adequate supply of outdoor recreation opportunities for the public.

The problem is not one of number of acres but of effective acres. For reasons of location or management, much of this vast acreage is not generally available for use. Most is in the mountains of the West and Alaska, for example, while most of the people in this country are east of the Mississippi. Much is in heavy timber, well managed but limited in opportunity for the hunter, the camper, the hiker, or the bird watcher.

The demand for recreational opportunity, based on availability of all kinds of outdoor resources, is creating so much pressure that most of this increasing demand soon will have to be met on private land. This is because of resistance to public land acquisition in many areas and the lack of sufficient public money to buy and manage the recreation space that is needed.

As for wildlife, the problem is equally as pressing. This is particularly true in the heavily farmed sections of this country, where reports of scarcity of many kinds of farm game are almost a seasonal occurrence. It involves quail and pheasants and cottontail rabbits, the most common targets for those who hunt, and pleasant sights for those who simply love the outdoors and many other kinds of game.

The problem of small game scarcity is basically a problem of farming com-

munities. About four-fifths of the land in the United States is in privately owned farms and ranches and about that same proportion of the game hunted each year is produced on that acreage.

A number of wildlife organizations have been insisting that changes in farming are creating a pressing need for wildlife management in rural areas. This growing concern is not prompted so much by the need for increasing hunting opportunity as it is to conserve farm game populations in the face of increasingly intensive farming practices.

Normal land-use practices, they contend, are becoming unfavorable to wildlife in most parts of the United States, but particularly in the Midwest. Two of our best game birds, the quail and the pheasant, are most severely affected.

The trend to more row crops such as corn and soybeans at the expense of small grains and hay is reducing the amount of these game birds nesting type covers. The same result comes from the shift in crop rotation patterns from corn-oats-hay to continuous corn on highly fertile soils.

The amount of corn left standing or in shocks, as well as waste grain and weed seeds, has been sharply cut as a result of improvements in culture and harvesting equipment. Cornpickers, for example, are being constantly improved to reduce dropped ears and shelled corn left in the field.

Cover for all types of wildlife in most sections of the country also is reduced with destruction of woodlots and brushy fence rows, uncontrolled burning of marshland and other wild areas, drainage, indiscriminate spraying of weed and brush killers on fence rows and roadsides, and heavier grazing.

These wildlife organizations have a strong case. It appears that outdoorsmen from the city will soon have to look to properly managed private lands if they are going to continue to have access to hunting. And if farmers are going to manage some of their land so as to encourage wildlife and reverse this trend, some way will have to be found to give these farmers an incentive. A few changes in this cropland retirement program can make that possible.

The alarm over declining farm game populations has led to careful studies documenting this problem. The findings are not encouraging.

A 1963 study of population dynamics and habitat management of quail in prime range in Wisconsin showed present destruction of habitat, if continued at the present rate, will result in disappearance of this game bird in many parts of the State in another 10 years. The prime reason, the study concluded, has been the gradual reduction of hedgerow cover.

Similar studies have been made in other States. The situation has been temporarily remedied, from the hunter's point of view, by having State fish and game agencies lease or buy public hunting grounds, having hunting clubs lease similar areas, or having individual hunters make access agreements with individual farmers. None of these methods suffice and none make the kind

of organized effort needed to manage private lands for wildlife production.

Since large sections of farmland were retired and abandoned under the Soil Bank Act of 1956, we now have access to studies showing what happened to wildlife when farmland is idled without habitat development or management.

A major quail study shows, for example, that habitat improved in the first few years after a farm was idled. The land soon became covered by weeds and shrubs and, when surrounded by intensively farmed areas, became ideal wildlife territory. But eventually weedy fallow fields gave way to grass and trees and in the end became nearly foodless, semiforest type areas. As this change took place, quail and pheasant disappeared.

These studies show that stopping cropping on farmland that is diverted or retired is not enough. Some wildlife management is essential.

An analysis of title V by the Department of Agriculture shows the proposed program would permit cost-sharing for extensive planting of trees, shrubs, and permanent, high-quality grasses and legumes on retired cropland so as to provide wildlife habitat. It also would permit the Government to consider higher land rental payments to farmers agreeing to open their land to public hunting and other specified recreational activities.

This proposal to guarantee public access for portions of this retired cropland is commendable. But it is possible to do much more to meet these recreation needs with the State participation and the outlay of a small additional amount of money.

In addition to providing public access as outlined in the present language of title V, we also should require farmers getting the extra payment to carry out some State-specified management practices that improve wildlife habitat and to avoid some practices that are harmful.

This amendment would guarantee that desirable practices are carried out and public access permitted on at least some of this diverted acreage in every State. It would do this by offering, through State fish and game agencies, a special incentive payment to farmers agreeing to adopt carefully planned wildlife habitat programs and to open their lands to the public.

This State-supervised and federally financed payment would be called a "wildlife incentive payment" and would be in addition to the regular land rental payment now proposed by the Department of Agriculture and any ACP cost-sharing involved. The administration of this wildlife incentive payment program would be in the hands of the State agencies, which would submit State wildlife management and access plans to the Department of Agriculture for funding clearance.

This would place responsibility for this wildlife management and the public access involved at the State level where it will be much more effective. It also would give State fish and game agencies an excellent opportunity to cooperate

with the Department of Agriculture in providing a great deal of new recreational space in each State.

The amendment would authorize the Secretary of Agriculture to transfer funds to State fish and game agencies for payment of these small wildlife service payments. These payments would be for farmers certified by the State agencies as wildlife cooperators in this important public land-use program.

The wildlife cooperators, when certified by the State fish and game agencies, would be paid for carrying out some practices and for avoiding others. Using brush killing spray on roadsides and fence rows might be avoided, for example, or early mowing might be banned. The State program of practices for cooperators would be determined by the type habitat developed was required for maximum wildlife management in the State involved.

In Wisconsin, for example, the cooperators might be required to refrain from cutting hedgerows in quail range or spraying them with brush killer. They probably would be required to observe strict mowing regulations so as not to disturb nesting of game birds. They might have to plant grasses or legumes as a cover crop. And they probably would have to provide some wildlife food patches to minimize winter starvation.

The practices specified by fish and game agencies in Louisiana, or Vermont, or South Dakota would, of course, be different. These refinements would be determined by the State fish and game agencies, which have experience with State problems and conditions and primary responsibility for habitat development and maintenance. The agencies also would determine a fair level of incentive payment for cooperators.

The Federal Government would provide basic guidelines, require public access of wildlife cooperators in all instances, and finance the small service payments for cooperators.

I ask unanimous consent that at this point the language of the amendment may be printed in the RECORD.

The Senator from Minnesota [Mr. MONDALE] joins me in cosponsoring the amendment.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 339) was referred to the Committee on Agriculture and Forestry, as follows:

On page 43, line 9, immediately preceding the words "The Secretary" insert the following new sentence: "The rate or rates of annual adjustment payments as determined hereunder shall be increased by an amount determined by the Secretary to be appropriate as a wildlife service payment based upon the benefit of wildlife uses established on the land by producers who permit access to such land by the public during the contract period for hunting, trapping, fishing, and hiking under applicable State and Federal regulations."

Insert on page 45, after line 16, a new subsection (d) as follows:

"(d) The Secretary may, without regard to the civil service laws, appoint an Advisory

Board on Wildlife to advise and consult on matters relating to his functions under this title as he deems appropriate. The Board shall consist of twelve persons chosen from members of wildlife organizations, farm organizations, State game and fish agencies, and representatives of the general public. Members of such Advisory Board who are not regular full-time employees of the United States shall, while attending meetings or conferences of such Board or otherwise engaged on business of such Board, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding \$100 per diem, including travel time, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently."

ANNOUNCEMENT OF THE APPOINTMENT OF SELECT COMMITTEE ON STANDARDS AND CONDUCT

The VICE PRESIDENT. The Chair wishes to make an announcement relating to the business of the Senate. Pursuant to Senate Resolution 338 of the 88th Congress, 2d session, the Chair now appoints the following Senators to be members of the Senate Select Committee on Standards and Conduct:

The Senator from the State of Mississippi [Mr. STENNIS]

The Senator from Oklahoma [Mr. MONRONEY];

The Senator from Minnesota [Mr. McCARTHY];

The Senator from Utah [Mr. BENNETT];

The Senator from Kentucky [Mr. COOPER];

The Senator from Kansas [Mr. PEARSON].

Mr. DOUGLAS. Mr. President, the appointments are very good. I congratulate the Chair upon the appointments and the Members of the Senate appointed for being willing to serve.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. JAVITS. May I join in that expression? I believe that the appointments are excellent.

Mr. LONG of Louisiana subsequently said: Mr. President, I yield myself 2 minutes from the time for the bill.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 minutes.

Mr. LONG of Louisiana. Mr. President, I note that the Vice President has appointed the Senator from Mississippi [Mr. STENNIS], the Senator from Minnesota [Mr. McCARTHY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. COOPER], and the Senator from Kansas [Mr. PEARSON] as the six Senators to represent the Senate on the so-called Ethics Committee.

Mr. President, I did not vote for the committee when it was established. However, I am pleased that the Vice President has named these six Senators.

I recall that when it was necessary to pass on the conduct of the late Senator Joseph McCarthy, concerning a very controversial matter, the then majority

leader, Senator Knowland, stood at his desk on the minority side and said that he would be willing to consent to having his life tried before those six men, three Democrats and three Republicans, as I recall.

Those Senators did a magnificent job. They did their job responsibly and courageously. They brought a recommendation to the Senate, which, for the most part, was agreed to. It concerned a very controversial matter. At that time, I believe that the strong man on the committee was the Senator from Mississippi [Mr. STENNIS]. The Senator from Mississippi showed great courage and fortitude in discharging the unpleasant responsibility that was pressed upon him by the Senate.

The Senator from Minnesota [Mr. McCARTHY] is one of our most admired colleagues in the Senate. The Senator was a professor. He taught in the field of ethics and principles. He has written on the subject. He is well acquainted with it. As far as I personally am concerned, I would be content to have the Senator from Minnesota pass on my conduct.

The Senator from Oklahoma [Mr. MONRONEY] is one of the most highly respected and esteemed Senators.

Mr. President, as a Democrat, I do not feel that I have the right to pass on those on the Republican side.

It has been my privilege to serve in the Senate with the Senator from Utah [Mr. BENNETT]. I have always regarded him as one of the most highly regarded men in the Senate. He is sincere and honest in all his acts. His stature in that regard is outstanding in the field of morals and ethics. We greatly admire the Senator.

The Senator from Kentucky [Mr. COOPER] and the Senator from Kansas [Mr. PEARSON] are also to be greatly admired for the same qualities of character as those possessed by the other Senators I have mentioned. The Senator from Kentucky and the Senator from Kansas are two of our most esteemed and outstanding Senators. They are not men to quibble about minor things of no consequence. However, on big issues, involving great principles, these Senators, just as their colleagues, have never failed to live up to the highest standing and tradition of the Senate.

I believe that the Senate as an institution will be in good hands with these six Senators on the committee.

Mr. SCOTT subsequently said: Mr. President, the leadership have nominated the membership, of three members from each party, of the new Committee on Ethics and Standards. I urged that this be done as long ago as last July. I am pleased that it has been done. At that time I said, and I repeat now, that the reports of the Committee on Rules and Administration have indicated how difficult it is for a majority to pursue duties similar to those that the members of the Rules Committee sought to pursue.

I respectfully suggest now, as I did then, that the chairman of the new Committee on Ethics and Standards be chosen now and henceforth from the membership of the minority, because in

my judgment the minority—whichever party it may be—is in a better position to conduct investigations involving the integrity of the Senate itself than is the majority. I believe it would save the majority a great deal of embarrassment.

ADDITIONAL COSPONSOR OF BILLS AND AMENDMENTS

Mr. HARRIS. Mr. President, S. 1787, to amend title II of the Social Security Act authored by the Senator from Indiana [Mr. HARTKE], is the same as amendment No. 206 to H.R. 6675, the Social Security Amendments of 1965.

I therefore ask unanimous consent that I may be added as a cosponsor of both S. 1787 and amendment 206 to H.R. 6676 at the next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, as one who is vitally interested in the field of oceanography, because of its importance to the future of our Nation and to my State of Rhode Island, I am happy to become a cosponsor of Senate bill 2251, introduced by the Senator from Maine [Mr. MUSKIE], to provide for the establishment of a Department of Marine and Atmospheric Affairs.

It is my belief that our Nation must move actively and boldly into development of the marine sciences, because of the vast resources of oceans in minerals and fish and plant life, and because of the need for such technology and advancement involving our national defense.

Much needs to be done in awakening an interest on the part of our leadership in this area and in educating the public, and in stimulating the cooperation and partnership of industry, research institutions, and government. I believe that a thrust is beginning to develop in this direction; but we are only at the threshold.

While supporting this bill, by joining in its sponsorship, I believe that at the same time we must advance this cause with deliberation and caution. This bill calls for the establishment of a department headed by a Secretary. It is a very broad bill.

As such, the bill does much in serving the objectives I seek, in that it is a focal point, another catalyst, in the developing movement to bring about our eventual primacy in the development of the seas and their vast resources.

I believe that our interests would best be served by the establishment in the Office of the President of a Government-wide coordinating body for oceanography. This would be a self-liquidating study group. Its purpose would be to consider the national requirements of oceanography, and to recommend to the President a national oceanographic program. Such is necessary if we are to fully utilize and develop the potential of the seas for industrial and other peaceful uses of the future.

Toward this end, the Muskie bill and other bills which have been introduced in Congress serve a very useful purpose. Congress is beginning to move, as well it should when such important work

needs to be done; and the public's interest and imagination are beginning to stir.

NOTICE OF HEARINGS ON ADMINISTRATION REQUESTS FOR BANKING AMENDMENTS

Mr. ROBERTSON. Mr. President, I should like to announce that the Subcommittee on Financial Institutions of the Committee on Banking and Currency will hold a hearing on a number of administration requests for changes in the banking laws. The hearing is scheduled to be held on Wednesday, July 21, 1965, in room 5302, New Senate Office Building, at 10 a.m.

At this hearing, the subcommittee will take testimony on the following bills:

S. 1308, to authorize revised procedures for the destruction of unfit Federal Reserve notes;

S. 1309, to authorize checks to be drawn in favor of banking organizations for the credit of a person's account;

S. 1556, to authorize the Board of Governors of the Federal Reserve System to delegate certain of its functions;

S. 1557, to enable Federal Reserve banks to invest in certain obligations of foreign governments;

S. 1558, to amend section 22(g) of the Federal Reserve Act relating to loans by member banks to their executive officers; and

S. 1559, to enable Federal Reserve banks to extend credit to member banks and others in accordance with current economic conditions.

Any persons who wish to appear and testify in connection with any of these bills are requested to notify Matthew Hale, chief of staff, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, Washington, D.C., telephone 225-3921.

NOTICE OF HEARINGS ON NOMINATIONS OF JAMES F. GORDON, OF KENTUCKY, TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF KENTUCKY, AND HIRAM R. CANCIO, OF PUERTO RICO, TO BE U.S. DISTRICT JUDGE, DISTRICT OF PUERTO RICO

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Tuesday, July 20, 1965, beginning at 10:30 a.m., in room 2300 New Senate Office Building, on the following nominations:

James F. Gordon, of Kentucky, to be U.S. district judge, western district of Kentucky, vice Roy M. Shelbourne, retired.

Hiram R. Cancio, of Puerto Rico, to be U.S. district judge, district of Puerto Rico, term of 8 years.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from North Carolina [Mr. ERVIN], the Senator from Nebraska [Mr. Hruska], and myself, as chairman.

NOTICE OF RECEIPT OF NOMINATIONS BY THE COMMITTEE OF FOREIGN RELATIONS

Mr. SPARKMAN. Mr. President, for the Committee on Foreign Relations, I desire to announce the following nominations were received today:

Mr. David M. Bane, of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Gabon Republic;

Mr. Edward Clark, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia;

Mr. George J. Feldman, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malta;

Mr. Parker T. Hart, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Turkey;

Mr. John D. Jernegan, of California, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic and Popular Republic of Algeria;

Mr. David D. Newsom, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Libya;

Mr. William J. Porter of Massachusetts, of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia; and

Mr. Hugh H. Smythe, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Syrian Arab Republic.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. DOUGLAS:

Speech by Hon. Joseph Kajeckas, Chargé d' Affaires a.i. of Lithuania, at the Darius-Girenas Memorial, in Chicago, on the 25th anniversary of Soviet annexation of the Baltic States.

By Mr. FULBRIGHT:

Article entitled "Rice Farmer is Named Arkansas Outstanding Young Farmer of Year," in tribute to Edwin E. Doepel, of Stuttgart, Ark.; written by B. G. Blackmon and published in the Rice Journal for June 1965.

By Mr. SCOTT:

Excerpts from editorial on organized labor's support of the Government's policy of aiding freedom wherever threatened, published in the June 1965 issue of the Journal of the Upholsterers' International Union of America.

HUMPHREY, AN INFORMED AND ACTIVE VICE PRESIDENT

Mr. PROXMIRE. Mr. President, few men have served in this body more vigor-

ously or left his stamp more indelibly upon it than HUBERT HUMPHREY.

As Vice President he necessarily must remain in the shadows. When he speaks, he speaks for the President. And of course the President is and should be number one.

But Mr. President, to the credit of President Lyndon Johnson, he has made certain that Vice President HUBERT HUMPHREY has been kept fully informed. And the Vice President has taken full advantage of this opportunity.

Secondly the President has made HUBERT HUMPHREY an active, responsible Vice President in a wide number of fields. In view of the rare abilities and energy of the Vice President, this is of real service to the country.

I ask unanimous consent that a column by Roscoe Drummond entitled "Report on HUMPHREY—Outlook Is Reassuring," which documents how well informed and active the Vice President has been be printed in the RECORD at this point.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

REPORT ON HUMPHREY: OUTLOOK IS REASSURING

(By Roscoe Drummond)

Hardly a day passes that some commentator does not give us a report on the State of L.B.J. In sophisticated Washington he is sometimes judged only by the style of his actions; in the country he is judged by the substance of his actions; history will judge him by the results of his actions.

For the most part the reports are favorable. The President is feeling well, he is doing well and is filling his office to the brim and running over.

What about the Vice President? How is HUBERT H. HUMPHREY in the role for which Lyndon Johnson carefully picked him?

It is a critical, crucial, difficult role and Mr. Johnson chose him to be ready to become President if the necessity arose. The President knew how suddenly that necessity could come.

I am not attempting to appraise HUMPHREY as a possible presidential nominee. There are too many imponderables in that equation to judge. But I want to report two aspects of the Vice Presidency that are immensely reassuring:

1. The President is giving HUMPHREY the largest opportunities ever given a Vice President to be ready to take up the Presidency.

2. HUMPHREY is responding to these opportunities in ways that reassure those who work with him.

HUMPHREY is, of course, not making the policies nor the decisions of the Government. No Vice President ever does and no Johnson Vice President would ever think of it. But HUMPHREY is often a participant in policy formulation and is kept by the President at the center of decisionmaking.

The President constantly uses HUMPHREY on a wide range of domestic and foreign policy matters. HUMPHREY is a valuable legislative troubleshooter, he is active in supervising the diverse space program and in coordinating the work of all Federal agencies in carrying out the civil rights laws.

There is no one in Washington today—outside L.B.J. himself—who knows as much about all that the Government is doing, all that the President is thinking and planning and all he faces, as HUBERT HUMPHREY.

This shows how completely intent Mr. Johnson is in protecting against the worst.

13. FARM PROGRAM. The "Daily Digest" states that the Agriculture Committee "ordered a clean bill introduced in lieu of H. R. 7097," the farm bill. p. D642

Rep. Hansen, Iowa, inserted an editorial regarding the "improvement in the economic situation of farmers" which he stated indicates "the reason why a strong farm program is imperative if we are to maintain our current farm economy" and the "importance of farm economy to the total economy of our Nation." p. 16001

14. MILITARY CONSTRUCTION. Conferees were appointed on H. R. 8439, the military construction bill, which includes an item for payment of CCC for certain family housing which was financed from the sale of surplus commodities (p. 15958). Senate conferees have already been appointed.
15. TRANSPORTATION. Conferees were appointed on H. R. 5401, to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system (p. 15958). Senate conferees have not been appointed.
16. DISASTER RELIEF. The "Daily Digest" states that the Banking and Currency Committee voted to report (but did not actually report) S. 408, to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters. p. D642
17. PERSONNEL. The "Daily Digest" states that the Rules Committee "granted an open rule on H. R. 8469," to increase annuities payable from the civil service retirement and disability fund. p. D643
18. FOREIGN AID. Rep. Duncan, Tenn., voiced "alarm" over continued aid to Egypt stating "it is not only food, but our country's prestige and security, that is being doled out to an unfriendly dictator." p. 15988
19. FARM LABOR. Rep. Teague, Calif., inserted a newsletter praising the Calif. farmers for paying the "highest farm wages in the Nation" and for "transporting workers from long distances, to meet this year's labor shortages." p. 15995
20. RECREATION. Rep. Helstoski commended House passage of the bill to authorize establishment of the Tocks Island National Recreation Area in Pa. and N. J. pp. 16000-1

ITEMS IN APPENDIX

21. OPINION POLL. Rep. Bandstra inserted the results of an opinion poll, including items of interest to this Department. pp. A3711-2
22. HOUSING. Extension of remarks of Rep. Duncan, Ore., favoring the bill which would authorize the Dept. of Housing and Urban Development, and inserting an article, "Hope for Cities." p. A3716
23. TREE FARMING. Extension of remarks of Rep. Saylor emphasizing the value of trees in checking erosion, and building up watersheds and inserting an article containing helpful suggestions for tree farmers. pp. A3717-8
24. FOREIGN AID. Rep. Bray inserted an article, "Foreign Aid Is an Iceberg", critical of the foreign aid program. p. A3718

25. WHEAT; FARM PROGRAM. Extension of remarks of Rep. Callan inserting Secretary Freeman's letter to the president of the First National Bank, N. Y., and stating that the letter "points out clearly that the proposed wheat program is in harmony with the goals of the Great Society." p. A3723
26. FARM LABOR. Extension of remarks of Rep. Roybal inserting an article concerned with the "highly successful" transition of Calif.'s agricultural industry from the use of foreign labor to an almost complete use of domestic workers this year. pp. A3728-9
Extension of remarks of Rep. Talcott stating that most reports are unfavorable as to the success of the A-team agricultural workers and inserting an article on this subject. pp. A3731-2
27. LOBBYING. Extension of remarks of Rep. Bennett discussing provisions of his bill which would turn over the administration of the Lobbying Act to the Comptroller General. p. A3730
28. ELECTRIFICATION. Extension of remarks of Reps. Whitener and Dorn expressing hope that the FPC will reject the petition filed by Interior Dept. to intervene in the proposed Duke Power Co. project, and inserting an article, "Public Power Priority." pp. A3730-1, A3733

BILLS INTRODUCED

29. PERSONNEL. H. R. 9800 by Rep. Udall, to amend the Administrative Expenses Act of 1946, as amended, to provide for reimbursement of certain moving expenses of employees, and to authorize payment of expenses for storage of household goods and personal effects of employees assigned to isolated duty stations within the continental United States; to Government Operations Committee.
30. FATS AND OILS; IMPORTS. H. R. 9808 by Rep. Rhodes, Pa., to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm nut kernels, and the oils crushed therefrom; to Ways and Means Committee
31. FARM PROGRAM. H. R. 9811 by Rep. Cooley, to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas; to Agriculture Committee
32. SUGARBEETS. S. 2280 by Sen. McGovern, to provide for granting feed grain base acreage or wheat allotment to former sugarbeet producers; to Agriculture and Forestry Committee.
33. MINERALS. S. 2281 by Sen. Cannon, to amend section 3 of the Act of July 23, 1955 (69 Stat. 367, 368), and to authorize mining locations for certain mineral deposits; to Interior and Insular Affairs Committee. Remarks of author, pp. 16030-2
34. LANDS; SOIL CONSERVATION. S. 2282 by Sen. Nelson, to authorize the Secretary of the Interior to conduct a program of research, study, and surveys, documentation and description of the natural environmental systems of the United States for the purpose of understanding and evaluation the condition of these

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1965

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Food and Agriculture
4 Act of 1965".

TITLE I—DAIRY

6 SEC. 101. The Agricultural Adjustment Act, as reen-
7 acted and amended by the Agricultural Marketing Agree-
8 ment Act of 1937, as amended, is further amended by strik-

1 ing in subparagraph (B) of subsection 8c(5) all of clause
2 (d) and inserting in lieu thereof a new clause (d) to read
3 as follows:

4 “(d) a further adjustment, equitably to apportion
5 the total value of the milk purchased by any handler, or
6 by all handlers, among producers and associations of
7 producers, on the basis of their marketings of milk, which
8 may be adjusted to reflect sales of such milk by any
9 handler or by all handlers in any use classification or
10 classifications, during a representative period of time
11 which need not be limited to one year. In the event a
12 producer holding a base allocated under this clause (d)
13 shall reduce his marketings, such reduction shall not
14 adversely affect his history of production and marketing
15 for the determination of future bases. Allocations to
16 producers under this clause (d) may be transferable un-
17 der an order on such terms and conditions as may be pre-
18 scribed if the Secretary of Agriculture determines that
19 transferability will be in the best interest of the public,
20 existing producers, and prospective new producers. Any
21 increase in class one base resulting from enlarged or in-
22 creased consumption and any producer class one bases
23 forfeited or surrendered shall first be made available to
24 new producers and to the alleviation of hardship and
25 inequity among producers.”;

1 and by adding at the end of said subparagraph (B) the fol-
2 lowing: "Notwithstanding the provisions of section 8c(12)
3 and the last sentence of section 8c(19) of this Act, order
4 provisions under (d) above shall not become effective in
5 any marketing order unless separately approved by producers
6 in a referendum in which each individual producer shall have
7 one vote and may be terminated separately whenever the
8 Secretary makes a determination with respect to such pro-
9 visions as is provided for the termination of an order in
10 subparagraph 8c(16) (B). Disapproval or termination of
11 such order provisions shall not be considered disapproval
12 of the order or of other terms of the order."

13 SEC. 102. Such Act is further amended (a) by adding to
14 subsection 8c(5) the following new paragraph: "(H) Mar-
15 keting orders applicable to milk and its products may be
16 limited in application to milk used for manufacturing."; and
17 (b) by amending subsection 8c(18) by adding after the
18 words "marketing area" wherever they occur the words "or,
19 in the case of orders applying only to manufacturing milk,
20 the production area".

21 SEC. 103. The provisions of this title shall not be effec-
22 tive after December 31, 1969.

23 SEC. 104. The legal status of producer handlers of milk
24 under the provisions of the Agricultural Adjustment Act,
25 as reenacted and amended by the Agricultural Marketing

1 Agreement Act of 1937, as amended, shall be the same sub-
2 sequent to the adoption of the amendments made by this
3 Act as it was prior thereto.

4 TITLE II—WOOL

5 SEC. 201. In section 703 of the National Wool Act of
6 1954, as amended (68 Stat. 910, 72 Stat. 994, 75 Stat.
7 306), the second sentence is amended to read as follows:
8 “Such price support shall be limited to wool and mohair
9 marketed during the period beginning April 1, 1955, and
10 ending December 31, 1969.”

11 SEC. 202. In section 703 of the National Wool Act of
12 1954, as amended, the proviso at the end of the third sen-
13 tence is amended to read as follows: “*Provided*, That the
14 support price for shorn wool shall not exceed 110 per centum
15 of the parity price therefor nor shall be lower than 77 per
16 centum of the parity price therefor.”

17 SEC. 203. In section 703 of the National Wool Act of
18 1954, as amended, the fourth sentence is amended to read as
19 follows: “If the support price so determined does not exceed
20 90 per centum of the parity price for shorn wool, the support
21 price for shorn wool shall be at such level, not in excess of
22 90 per centum nor less than 77 per centum of the parity
23 price therefor, as the Secretary determines necessary in order
24 to encourage an annual production of approximately three
25 hundred and sixty million pounds of shorn wool.”

TITLE III—FEED GRAINS

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e) :

“(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16 (i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average

1 acreage devoted on the farm to corn and grain sorghums in
2 1959 and 1960, and does not devote any acreage devoted to
3 the production of oats and rye in 1959 and 1960 to the
4 production of wheat pursuant to the provisions of section
5 328 of the Food and Agriculture Act of 1962. In addition
6 to price support provided under subsections (a) and (b)
7 of this section, which shall be made available through loans
8 and purchases, for any feed grain included in the acreage
9 diversion program, a payment-in-kind may be made avail-
10 able to producers in such amount or amounts as the Secre-
11 tary determines desirable to assure that the benefits of the
12 price support and diversion programs inure primarily to
13 those producers who cooperate in reducing their acreages
14 of feed grains, and to take into account the extent of partici-
15 pation by the producer. Such payments-in-kind shall be
16 made on such part of the acreage of such feed grain planted
17 on the farm for harvest as the Secretary determines desirable
18 to effectuate the purposes of the program: *Provided*, That
19 for purposes of such payments, the Secretary may permit
20 producers of feed grains to have acreage devoted to soybeans
21 considered as devoted to the production of feed grains to
22 such extent and subject to such terms and conditions as the
23 Secretary determines will not impair the effective operation
24 of the price support program. An acreage on the farm
25 which the Secretary finds was not planted to feed grains be-

1 cause of drought, flood, or other natural disaster shall be
2 deemed to be an actual acreage of feed grains planted for
3 harvest for purposes of such payments. The Secretary may
4 make not to exceed 50 per centum of any payments here-
5 under to producers in advance of determination of perform-
6 ance. Payments-in-kind shall be made through the issuance
7 of negotiable certificates which the Commodity Credit Cor-
8 poration shall redeem for feed grains (such feed grains to
9 be valued by the Secretary at not less than the current sup-
10 port price made available through loans and purchases, plus
11 reasonable carrying charges) in accordance with regulations
12 prescribed by the Secretary and, notwithstanding any other
13 provision of law, the Commodity Credit Corporation shall,
14 in accordance with regulations prescribed by the Secretary,
15 assist the producer in the marketing of such certificates. The
16 Secretary shall provide for the sharing of such certificates
17 among producers on the farm on a fair and equitable basis.
18 If the operator of the farm elects to participate in the acreage
19 diversion program, price support for feed grains included in
20 the program shall be made available to the producers on
21 such farm only if such producers divert from the production
22 of such feed grains, in accordance with the provisions of
23 such program, an acreage on the farm equal to the number of
24 acres which such operator agrees to divert, and the agree-
25 ment shall so provide. Notwithstanding any other provision

1 of law, payments-in-kind under this subsection (e) and sub-
2 section (d) of this section may be adjusted by the Secretary
3 for failure of a producer to comply fully with the terms and
4 conditions of the programs formulated under such subsec-
5 tions and section 16 of the Soil Conservation and Domestic
6 Allotment Act, as amended.”

7 SEC. 302. Section 16 of the Soil Conservation and
8 Domestic Allotment Act, as amended, is amended by adding
9 the following new subsection:

10 “(i) Notwithstanding any other provision of law—

11 “(1) For the 1966 through 1969 crops of feed
12 grains, if the Secretary determines that the total supply
13 of feed grains will, in the absence of an acreage diver-
14 sion program, likely be excessive, taking into account
15 the need for an adequate carryover to maintain reason-
16 able and stable supplies and prices of feed grains and
17 to meet any national emergency, he may formulate and
18 carry out an acreage diversion program for feed grains,
19 without regard to provisions which would be applicable
20 to the regular agricultural conservation program, under
21 which, subject to such terms and conditions as the Secre-
22 tary determines, conservation payments shall be made to
23 producers who divert acreage from the production of feed
24 grains to an approved conservation use and increase their
25 average acreage of cropland devoted in 1959 and 1960

1 to designated soil-conserving crops or practices including
2 summer fallow and idle land by an equal amount. Pay-
3 ments shall be made at such rate or rates as the Secre-
4 tary determines will provide producers with a fair and
5 reasonable return for the acreage diverted, not in excess
6 of 50 per centum of the estimated basic county support
7 rate, including the lowest rate of payment-in-kind in
8 effect. Notwithstanding the foregoing provisions, the
9 Secretary may permit all or any part of such diverted
10 acreage to be devoted to the production of guar, sesame,
11 safflower, sunflower, castor beans, mustard seed, and
12 flax, if he determines that such production of the com-
13 modity is needed to provide an adequate supply, is
14 not likely to increase the cost of the price support pro-
15 gram, and will not adversely affect farm income subject
16 to the condition that payment with respect to diverted
17 acreage devoted to any such crop shall be at a rate
18 determined by the Secretary to be fair and reasonable,
19 taking into consideration the use of such acreage for
20 the production of such crops, but in no event shall the
21 payment exceed one-half the rate which otherwise would
22 be applicable if such acreage were devoted to conserva-
23 tion uses. The term 'feed grains' means corn, grain
24 sorghums, and, if designated by the Secretary, barley,

1 and if for any crop the producer so requests for pur-
2 poses of having acreage devoted to the production of
3 wheat considered as devoted to the production of feed
4 grains, pursuant to the provisions of section 328 of the
5 Food and Agriculture Act of 1962, the term 'feed
6 grains' shall include oats and rye: *Provided*, That
7 acreages of corn, grain sorghums, and, if designated
8 by the Secretary, barley, shall not be planted in lieu of
9 acreages of oats and rye: *Provided further*, That the
10 acreage devoted to the production of wheat shall not be
11 considered as an acreage of feed grains for purposes of
12 establishing the feed grain base acreage for the farm
13 for subsequent crops. Such feed grain diversion pro-
14 gram shall require the producer to take such measures
15 as the Secretary may deem appropriate to keep such di-
16 verted acreage free from erosion, insects, weeds, and
17 rodents. The acreage eligible for participation in the
18 program shall be such acreage (not to exceed 50 per
19 centum of the average acreage on the farm devoted to
20 feed grains in the crop years 1959 and 1960 or twenty-
21 five acres, whichever is greater) as the Secretary de-
22 termines necessary to achieve the acreage reduction
23 goal for the crop. Payments shall be made in kind.
24 The acreage of wheat produced on the farm during the
25 crop years 1959, 1960, and 1961, pursuant to the

1 exemption provided in section 335 (f) of the Agricul-
2 tural Adjustment Act of 1938, as amended, prior to its
3 repeal by the Food and Agriculture Act of 1962, in
4 excess of the small farm base acreage for wheat estab-
5 lished under section 335 of the Agricultural Adjustment
6 Act of 1938, as amended, may be taken into considera-
7 tion in establishing the feed grain base acreage for the
8 farm. The Secretary may make such adjustments in
9 acreage as he determines necessary to correct for ab-
10 normal factors affecting production, and to give due
11 consideration to tillable acreage, crop-rotation practices,
12 types of soil, soil and water conservation measures, and
13 topography. Notwithstanding any other provision of
14 this subsection (i) (1), the Secretary may, upon unan-
15 imous request of the State committee established pur-
16 suant to section 8 (b) of the Soil Conservation and
17 Domestic Allotment Act, as amended, adjust the feed
18 grain bases for farms within any State or county to
19 the extent he determines such adjustment to be necessary
20 in order to establish fair and equitable feed grain bases
21 for farms within such State or county. The Secretary
22 may make not to exceed 50 per centum of any payments
23 to producers in advance of determination of performance.
24 Notwithstanding any other provision of this subsection,
25 barley shall not be included in the program for a pro-

1 ducer of malting barley exempted pursuant to section
2 105 (e) of the Agricultural Act of 1949, who partici-
3 pates only with respect to corn and grain sorghums and
4 does not knowingly devote an acreage on the farm
5 to barley in excess of 110 per centum of the average
6 acreage devoted on the farm to barley in 1959 and 1960.

7 “(2) Notwithstanding any other provision of this
8 subsection, not to exceed 1 per centum of the estimated
9 total feed grain bases for all farms in a State for any year
10 may be reserved from the feed grain bases established for
11 farms in the State for apportionment to farms on which
12 there were no acreages devoted to feed grains in the crop
13 years 1959 and 1960 on the basis of the following fac-
14 tors: Suitability of the land for the production of feed
15 grains, the past experience of the farm operator in the
16 production of feed grains, the extent to which the farm
17 operator is dependent on income from farming for his
18 livelihood, the production of feed grains on other farms
19 owned, operated, or controlled by the farm operator, and
20 such other factors as the Secretary determines should be
21 considered for the purpose of establishing fair and equi-
22 table feed grain bases. An acreage equal to the feed
23 grain base so established for each farm shall be deemed to
24 have been devoted to feed grains on the farm in each of
25 the crop years 1959 and 1960 for purposes of this sub-

1 section except that producers on such farm shall not be
2 eligible for conservation payments for the first year for
3 which the feed grain base is established.

4 “(3) There are hereby authorized to be appropri-
5 ated such amounts as may be necessary to enable the
6 Secretary to carry out this section 16 (i) .

7 “(4) The Secretary shall provide by regulations for
8 the sharing of payments under this subsection among
9 producers on the farm on a fair and equitable basis and
10 in keeping with existing contracts.

11 “(5) Payments in kind shall be made through the
12 issuance of negotiable certificates which the Commodity
13 Credit Corporation shall redeem for feed grains in
14 accordance with regulations prescribed by the Secretary
15 and, notwithstanding any other provision of law, the
16 Commodity Credit Corporation shall, in accordance with
17 regulations prescribed by the Secretary, assist the pro-
18 ducer in the marketing of such certificates. Feed grains
19 with which Commodity Credit Corporation redeems cer-
20 tificates pursuant to this paragraph shall be valued at
21 not less than the current support price made available
22 through loans and purchases, plus reasonable carrying
23 charges.

24 “(6) Notwithstanding any other provision of law,
25 the Secretary may, by mutual agreement with the pro-

1 ducer, terminate or modify any agreement previously
2 entered into pursuant to this subsection if he determines
3 such action necessary because of an emergency created
4 by drought or other disaster, or in order to prevent or
5 alleviate a shortage in the supply of feed grains.”

6 SEC. 303. Section 326 of the Food and Agriculture Act
7 of 1962, as amended, is amended by deleting the language
8 beginning with "the requirements" and ending with "Agri-
9 cultural Act of 1961, and" and substituting therefor "the
10 requirements of any program under which price support is
11 extended or payments are made to farmers, and price support
12 may be extended or".

13 TITLE IV—COTTON

14 SEC. 401. The Agricultural Adjustment Act of 1938, as
15 amended, is amended as follows:

(1) Section 348 of the Act is amended by adding the following new sentence at the end thereof: "The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to the 1966 crop cotton."

24 (2) Subsection (m) (2) of section 344 of the Agri-
25 cultural Adjustment Act of 1938, as amended, is amended

1 by changing the period at the end of the second sentence
2 thereof to a colon and adding the following: "*Provided, That*
3 for the 1966, 1967, 1968, and 1969 crops of upland cotton,
4 no such released acreage shall be surrendered to the State
5 committee."

6 (3) Section 346 of the Act is amended by adding at
7 the end thereof a new subsection as follows:

8 "(e) Notwithstanding any other provision of this Act,
9 for the 1966, 1967, 1968, and 1969 crops of upland cotton,
10 if the farm operator elects to forgo price support for any such
11 crop of cotton by planting in excess of the farm acreage
12 allotment established under section 344 or planting cotton on
13 a farm for which no allotment was established for such crop,
14 all cotton of such crop produced on the farm may be mar-
15 keted free of any penalty under this section. Acreage
16 planted to cotton in excess of the farm acreage allotment
17 established under section 344 shall not be taken into account
18 in establishing future State, county, and farm acreage
19 allotments."

20 (4) Section 350 of the Act is amended, effective with
21 the 1966 crop, to read as follows:

22 "SEC. 350. In order to afford producers an opportunity
23 to participate in a program of reduced acreage and higher
24 price support, as provided in section 103 (d) of the Agri-

1 cultural Act of 1949, as amended, the Secretary shall deter-
2 mine a national domestic allotment for the 1966, 1967, 1968,
3 and 1969 crops of upland cotton equal to the estimated do-
4 mestic consumption of upland cotton (standard bales of
5 four hundred and eighty pounds net weight) for the mar-
6 keting year beginning in the year in which the crop is to
7 be produced. The Secretary shall determine a farm domestic
8 acreage allotment percentage for each such year by dividing
9 (1) the national domestic allotment (in net weight pounds)
10 by (2) the total for all States of the product of the State
11 acreage allotment and the projected State yield: *Provided*,
12 That no farm domestic acreage allotment shall be less than
13 65 per centum of such farm acreage allotment. The farm
14 domestic acreage allotment shall be established by multiply-
15 ing the farm acreage allotment established under section 344
16 by the farm domestic acreage allotment percentage. Such
17 national domestic allotment shall be determined not later
18 than October 15 of the calendar year preceding the year in
19 which the crop is to be produced.”

20 SEC. 402. Section 103 of the Agricultural Act of 1949,
21 as amended, is amended by adding the following new sub-
22 section at the end thereof:

23 “(d) (1) Notwithstanding any other provision of this
24 Act, if producers have not disapproved marketing quotas,
25 price support shall be made available for the 1966, 1967,

1 1968, and 1969 crops of upland cotton as provided in this
2 subsection.

3 “(2) Price support for each such crop of upland cotton
4 shall be made available to cooperators through loans at such
5 level, not exceeding 90 per centum of the estimated average
6 world market price for Middling one-inch upland cotton at
7 average location in the United States for the marketing year
8 for such crop, as the Secretary determines will provide
9 orderly marketing of cotton during the harvest season and
10 will retain an adequate share of the world market for cotton
11 produced in the United States taking into consideration the
12 factors specified in section 401 (b) of this Act: *Provided*,
13 That the national average loan rate for the 1966 crop shall
14 reflect 21 cents per pound for Middling one-inch upland
15 cotton.

16 “(3) The Secretary also shall provide price support
17 through payments in cash or in kind to cooperators who
18 participate in a cotton acreage reduction program to the
19 extent prescribed by the Secretary: *Provided*, That the total
20 of the national average loan rate for any crop under para-
21 graph (2) and the rate at which payments are made under
22 this paragraph shall not be less than 65 per centum or more
23 than 90 per centum of the parity price for cotton. Such
24 payments shall be made on the quantity of cotton determined

1 by multiplying the acreage planted to cotton within the farm
2 domestic acreage allotment by the projected farm yield:
3 *Provided*, That any such farm planting not less than 90 per
4 centum of such allotment shall be deemed to have planted
5 the entire amount of such allotment.

6 “(4) The Secretary shall provide price support pay-
7 ments in addition to the payments authorized in paragraph
8 (3) to cooperators, other than cooperators on farms re-
9 ceiving reapportioned acreage under section 344 (m) (2)
10 of the Agricultural Adjustment Act of 1938, as amended,
11 who divert from the production of cotton to approved con-
12 servation practices to the extent prescribed by the Secretary:
13 *Provided*, That such diversion shall not exceed 35 per
14 centum of the farm acreage allotment established under
15 section 344 of the Agricultural Adjustment Act of 1938,
16 as amended. Such payments shall be made on the quantity
17 of cotton determined by multiplying the acreage planted to
18 cotton within the farm domestic acreage allotment by the
19 projected farm yield.

20 “(5) The combined rates of the payments under para-
21 graphs (3) and (4) for the 1966 crop shall be as follows:

22 “(A) For farms on which the acreage planted
23 to cotton does not exceed the farm domestic acreage
24 allotment, an amount equal to 69.8 per centum of the
25 basic level of support established under paragraph (2).

1 “(B) For farms on which the acreage planted to
2 cotton exceeds the farm domestic acreage allotment
3 by not more than 15.4 per centum, an amount equal
4 to 62.1 per centum of the basic level of support estab-
5 lished under paragraph (2).

6 “(C) For farms on which the acreage planted to
7 cotton exceeds the farm domestic acreage allotment by
8 more than 15.4 per centum but by not more than 30.8
9 per centum, an amount equal to 54.4 per centum of the
10 basic level of support established under paragraph (2).

11 “The Secretary may make not to exceed 50 per
12 centum of the payments under this subsection to pro-
13 ducers in advance of determination of performance.

14 “(6) Where the farm operator elects to participate in
15 the acreage reduction program authorized in this subsection
16 and no acreage is planted to cotton on the farm, price sup-
17 port payments shall be made at a rate equal to 50 per centum
18 of the national average loan rate established under paragraph
19 (2) on the quantity of cotton determined by multiplying 15
20 per centum of the farm acreage allotment by the projected
21 farm yield, and the remainder of such allotment may be re-
22 leased under the provisions of section 344 (m) (2) of the
23 Agricultural Adjustment Act of 1938, as amended. The
24 acreage on which payment is made under this paragraph
25 shall be regarded as planted to cotton for purposes of estab-

1 lishing future State, county, and farm acreage allotments and
2 farm bases.

3 “(7) Additional price support provided under this sub-
4 section by payments-in-kind shall be made through the
5 issuance of certificates which the Commodity Credit Corpora-
6 tion shall redeem under regulations issued by the Secretary
7 for cotton valued at not less than the loan rate therefor.
8 The Corporation may, under regulations prescribed by the
9 Secretary, assist the producers in the marketing of such
10 certificates at such times and in such manner as the Secre-
11 tary determines will best effectuate the purposes of the
12 program authorized by this subsection.

13 “(8) Payments under this subsection with respect to
14 any farm shall be conditioned on the farm having an acreage
15 of approved conservation uses equal to the sum of (i) the
16 reduction in cotton acreage required to qualify for such
17 payments under this subsection and (ii) the average acre-
18 age of cropland on the farm devoted to designated soil-con-
19 serving crops or practices, including summer fallow and
20 idle land, during a base period prescribed by the Secretary:
21 *Provided*, That the Secretary may permit all or any part
22 of such reduced acreage to be devoted to the production of
23 guar, safflower, sunflower, castor beans, mustard seed, and
24 flax, if he determines that such production is necessary to
25 provide an adequate supply of such commodities, is not likely

1 to increase the cost of the price support program, and will
2 not adversely affect farm income.

3 “(9) The acreage regarded as planted to cotton on any
4 farm which qualifies for payment under this subsection except
5 under paragraph (6) shall, for purposes of establishing future
6 State, county, and farm acreage allotments and farm bases,
7 be the farm acreage allotment established under section 344
8 of the Agricultural Adjustment Act of 1938, as amended,
9 excluding adjustments under subsection (m) (2) thereof.

10 “(10) The Secretary shall provide adequate safeguards
11 to protect the interests of tenants and sharecroppers, includ-
12 ing provision for sharing on a fair and equitable basis in price
13 support under this subsection.

14 “(11) Notwithstanding any other provision of this
15 section, the amount of price support payments made with
16 respect to any farm may be adjusted for failure to comply
17 fully with the terms and conditions of the program formu-
18 lated pursuant to this subsection.

19 “(12) Notwithstanding any other provision of this Act,
20 if, as a result of limitations hereafter enacted with respect
21 to price support under this subsection, the Secretary is unable
22 to make available to all cooperators the full amount of
23 combined price support to which they would otherwise be
24 entitled under paragraphs (2) and (3) of this subsection for
25 any crop of upland cotton, (A) price support to cooperators

1 shall be made available for such crop (if marketing quotas
2 have not been disapproved) through loans or purchases at
3 such level not less than 65 per centum nor more than 90 per
4 centum of the parity price therefor as the Secretary deter-
5 mines appropriate; (B) in order to keep upland cotton to
6 the maximum extent practicable in the normal channels of
7 trade, such price support may be carried out through the
8 simultaneous purchase of cotton at the support price there-
9 for and resale at a lower price or through loans under
10 which the cotton would be redeemable by payment of a
11 price therefor lower than the amount of the loan thereon;
12 and (C) such resale or redemption price shall be such
13 as the Secretary determines will provide orderly market-
14 ing of cotton during the harvest season and will retain an
15 adequate share of the world market for cotton produced in
16 the United States.

17 “(13) Section 408 (b) of the Agricultural Act of 1949,
18 as amended, is amended by changing the period at the end
19 of the first sentence thereof to a colon and adding the fol-
20 lowing: ‘*Provided*, That for the 1966, 1967, 1968, and
21 1969 crops of upland cotton a cooperator shall be a producer
22 on whose farm the acreage planted to cotton does not exceed
23 85 per centum of such farm acreage allotment’.

24 “(14) The provisions of subsection 8 (g) of the Soil
25 Conservation and Domestic Allotment Act, as amended,

1 (relating to assignment of payments) shall also apply to
2 payments under this subsection.”

3 SEC. 403. Section 301 of the Agricultural Adjustment
4 Act of 1938, as amended, is amended by adding the follow-
5 ing new subparagraphs to paragraph (13) of subsection (b) :

6 “(L) ‘Projected National, State, and county yields’
7 for any crop of cotton shall be determined on the basis of the
8 yield per harvested acre of such crop in the United States,
9 the State and the county, respectively, during each of the
10 five calendar years immediately preceding the year in which
11 such projected yield for the United States, the State, and the
12 county, respectively, is determined, adjusted for abnormal
13 weather conditions affecting such yield, for trends in yields,
14 and for any significant changes in production practices.

15 “(M) ‘Projected farm yield’ for any crop of cotton shall
16 be determined on the basis of the yield per harvested acre
17 of such crop on the farm during each of the three calendar
18 years immediately preceding the year in which such pro-
19 jected farm yield is determined, adjusted for abnormal
20 weather conditions affecting such yield, for trends in yields,
21 and for any significant changes in production practices, but
22 in no event shall such projected farm yield be less than the
23 normal yield for such farm as provided in subparagraph (I)
24 of this paragraph.”

25 SEC. 404. Section 407 of the Agricultural Act of 1949,

1 as amended, is amended by adding at the end thereof the fol-
2 lowing: "Notwithstanding any other provision of this sec-
3 tion, for the period August 1, 1966, through July 31, 1970;
4 (1) the Commodity Credit Corporation shall sell upland
5 cotton for unrestricted use at the same prices as it sells cotton
6 for export, in no event, however, at less than 110 per centum
7 of the loan rate, and (2) the Commodity Credit Corporation
8 shall sell or make available for unrestricted use at current
9 market prices in each marketing year a quantity of upland
10 cotton equal to the amount by which the production of up-
11 land cotton is less than the estimated requirements for domes-
12 tic use and for export for such marketing year. The Secre-
13 tary may make such estimates and adjustments therein at
14 such times as he determines will best effectuate the pro-
15 visions of part (2) of the foregoing sentence and such quan-
16 tities of cotton as are required to be sold under such sen-
17 tence shall be offered for sale in an orderly manner and so
18 as not to affect market prices unduly."

19 SEC. 405. (a) Notwithstanding any other provision of
20 law, the Secretary, if he determines that it will not impair
21 the effective operation of the program involved, (1) may
22 permit the owner and operator of any farm for which a
23 cotton acreage allotment is established to sell or lease all or
24 any part or the right to all or any part of such allotment
25 (excluding that part of the allotment which the Secretary

1 determines was apportioned to the farm from the national
2 acreage reserve) to any other owner or operator of a farm
3 for transfer to such farm; (2) may permit the owner of a
4 farm to transfer all or any part of such allotment to any other
5 farm owned by him.

6 (b) Transfers under this section shall be subject to the
7 following conditions: (i) no allotment shall be transferred to
8 a farm in another State or to a person for use in another
9 State; (ii) no farm allotment may be sold or leased for
10 transfer to a farm in another county unless the producers
11 of cotton in the county from which transfer is being made
12 have voted in a referendum within three years of the date of
13 such transfer, by a two-thirds majority of the producers par-
14 ticipating in such referendum, to permit the transfer of allot-
15 ments to farms outside the county, which referendum, insofar
16 as practicable, shall be held in conjunction with the market-
17 ing quota referendum for the commodity; (iii) no transfer
18 of an allotment from a farm subject to a mortgage or
19 other lien shall be permitted unless the transfer is agreed
20 to by the lienholder; (iv) no sale of a farm allotment shall
21 be permitted if any sale of cotton allotment to the same farm
22 has been made within the three immediately preceding crop
23 years; (v) the total cotton allotment for any farm to which
24 allotment is transferred shall not exceed 150 per centum of

1 the average size of the farm acreage allotments for cotton in
2 the State or one hundred acres, whichever is greater, and no
3 transfer of a farm allotment hereunder shall result in a total
4 of allotments for all commodities for the farm which exceeds
5 75 per centum of the farm cropland; (vi) no cotton in excess
6 of the remaining acreage allotment on the farm shall be
7 planted on any farm from which the allotment (or part of
8 an allotment) is sold for a period of five years following
9 such sale, nor shall any cotton in excess of the remaining
10 acreage allotment on the farm be planted on any farm from
11 which the allotment (or part of an allotment) is leased
12 during the period of such lease, and the producer on such
13 farm shall so agree as a condition precedent to the Secre-
14 tary's approval of any such sale or lease; and (vii) no trans-
15 fer of allotment shall be effective until a record thereof is
16 filed with the county committee of the county to which such
17 transfer is made and such committee determines that the
18 transfer complies with the provisions of this section.

19 (c) The transfer of an allotment shall have the effect of
20 transferring also the acreage history, farm base, and mar-
21 keting quota attributable to such allotment and if the transfer
22 is made prior to the determination of the allotment for any
23 year the transfer shall include the right of the owner or
24 operator to have an allotment determined for the farm for
25 such year: *Provided*, That in the case of a transfer by lease,

1 the amount of the allotment shall be considered for purposes
2 of determining allotments after the expiration of the lease
3 to have been planted on the farm from which such allot-
4 ment is transferred.

5 (d) The land in the farm from which the entire cotton
6 allotment and acreage history have been transferred shall not
7 be eligible for a new farm cotton allotment during the five
8 years following the year in which such transfer is made.

9 (e) The transfer of a portion of a farm allotment which
10 was established under minimum farm allotment provisions for
11 cotton or which operate to bring the farm within the mini-
12 mum farm allotment provision for cotton shall cause the mini-
13 mum farm allotment or base to be reduced to an amount
14 equal to the allotment remaining on the farm after such
15 transfer.

16 (f) The Secretary shall prescribe regulations for the
17 administration of this section, which shall include provisions
18 for adjusting the size of the allotment transferred if the farm
19 to which the allotment is transferred has a substantially
20 higher yield per acre and such other terms and conditions as
21 he deems necessary.

22 (g) If the sale or lease occurs during a period in which
23 the farm is covered by a conservation reserve contract, crop-
24 land conversion agreement, or other similar land utilization
25 agreement, the rates of payment provided for in the contract

1 or agreement of the farm from which the transfer is made
2 shall be subject to an appropriate adjustment, but no adjust-
3 ment shall be made in the contract or agreement of the farm
4 to which the allotment is transferred.

5 (h) The Secretary shall by regulations authorize the
6 exchange between farms in the same county, or between
7 farms in adjoining counties within a State, of cotton acreage
8 allotment for rice acreage allotment. Any such exchange
9 shall be made on the basis of application filed with the
10 county committee by the owners and operators of the farms,
11 and the transfer of allotment between the farms shall include
12 transfer of the related acreage history for the commodity.
13 The exchange shall be acre for acre or on such other basis
14 as the Secretary determines is fair and reasonable, taking
15 into consideration the comparative productivity of the soil
16 for the farms involved and other relevant factors. No farm
17 from which the entire cotton or rice allotment has been
18 transferred shall be eligible for an allotment of cotton or rice
19 as a new farm within a period of five crop years after the
20 date of such exchange.

21 (i) The provisions of this section relating to cotton shall
22 apply only to upland cotton.

23 SEC. 406. The Secretary may, to the extent he deems
24 it desirable, provide by appropriate regulations for surrender
25 of cotton allotment and acreage history applicable to acre-

1 age diverted from the production of cotton under the crop-
2 land adjustment program. No cotton in excess of the re-
3 maining acreage allotment on the farm shall be planted for
4 the five succeeding crop years on any farm which all or part
5 of the allotment has been surrendered. Any cotton allot-
6 ment or acreage history surrendered pursuant to the fore-
7 going authority shall be held in reserve in establishing
8 future national, State, county, and farm cotton acreage allot-
9 ments and bases. The Secretary is authorized to increase by
10 not more than 25 per centum the rate or rates of annual
11 payments to be made to producers under such program who
12 surrender cotton acreage and allotment history pursuant to
13 the authority of this section. In carrying out the provisions
14 of this section, the Secretary may use Commodity Credit
15 Corporation stocks and funds for effectuating payment to
16 producers.

17 TITLE V—WHEAT

18 SEC. 501. Effective beginning with the crop planted for
19 harvest in the calendar year 1966, the Agricultural Adjust-
20 ment Act of 1938, as amended, is amended as follows:

21 (1) Section 332 is amended by changing item (iv) in
22 subsection (b) to read: "will be utilized during such market-
23 ing year in the United States as livestock (including poul-
24 try) feed, excluding the estimated quantity of wheat which

1 will be utilized for such purpose as a result of the substitution
2 of wheat for feed grains under section 328 of the Food and
3 Agriculture Act of 1962” and by adding the following new
4 subsection:

5 “(d) Notwithstanding any other provision of this Act,
6 the Secretary shall not proclaim a national marketing quota
7 for the crops of wheat planted for harvest in the calendar
8 years 1966 through 1969, and farm marketing quotas shall
9 not be in effect for such crops of wheat.”

10 (2) Section 333 is amended to read as follows: “The
11 Secretary shall proclaim a national acreage allotment for each
12 crop of wheat. The amount of the national acreage allot-
13 ment for any crop of wheat shall be the number of acres
14 which the Secretary determines on the basis of the projected
15 national yield and expected underplantings (acreage other
16 than that not harvested because of program incentives) of
17 farm acreage allotments will produce an amount of wheat
18 equal to the national marketing quota for wheat for the
19 marketing year for such crop, or if a national marketing
20 quota was not proclaimed, the quota which would have
21 been determined if one had been proclaimed. The Secretary
22 may, in his discretion, adjust such national acreage allotment
23 as he determines necessary to assure the maintenance of
24 adequate but not excessive stocks in the United States.

1 (3) Subsection (a) of section 334 is amended to read
2 as follows:

3 “(a) The national allotment for wheat, less a reserve of
4 not to exceed 1 per centum thereof for apportionment as
5 provided in this subsection and less the special acreage re-
6 serve provided for in this subsection, shall be apportioned by
7 the Secretary among the States on the basis of the preceding
8 year’s allotment for each such State, including for 1966 the
9 increased acreage in the State allotted for 1965 under section
10 335, adjusted to the extent deemed necessary by the Secre-
11 tary to establish a fair and equitable apportionment base for
12 each State, taking into consideration established crop rota-
13 tion practices, estimated decrease in farm allotments because
14 of loss of history, and other relevant factors. The reserve
15 acreage set aside herein for apportionment by the Secretary
16 shall be used to make allotments to counties in addition to
17 the county allotments made under subsection (b) of this
18 section, on the basis of the relative needs of counties for addi-
19 tional allotments because of reclamation and other new areas
20 coming into production of wheat. There also shall be made
21 available a special acreage reserve of not in excess of one
22 million acres as determined by the Secretary to be desirable
23 for the purposes hereof which shall be in addition to the na-
24 tional acreage reserve provided for in this subsection. Such

1 special acreage reserve shall be made available to the States
2 to make additional allotments to counties on the basis of the
3 relative needs of counties, as determined by the Secretary,
4 for additional allotments to make adjustments in the allot-
5 ments on old wheat farms (that is, farms on which wheat has
6 been seeded or regarded as seeded to one or more of the
7 three crops immediately preceding the crop for which the
8 allotment is established) on which the ratio of wheat acreage
9 allotment to cropland on the farm is less than one-half the
10 average ratio of wheat acreage allotment to cropland on old
11 wheat farms in the county. Such adjustments shall not pro-
12 vide an allotment for any farm which would result in allot-
13 ment-cropland ratio for the farm in excess of one-half of such
14 county average ratio and the total of such adjustments in
15 any county shall not exceed the acreage made avail-
16 able therefor in the county. Such apportionment from the
17 special acreage reserve shall be made only to counties where
18 wheat is a major income-producing crop, only to farms on
19 which there is limited opportunity for the production of an
20 alternative income-producing crop, and only if an efficient
21 farming operation on the farm requires the allotment of addi-
22 tional acreage from the special acreage reserve. For the
23 purposes of making adjustments hereunder the cropland on
24 the farm shall not include any land developed as cropland
25 subsequent to the 1963 crop year."

1 (4) Subsection (b) of section 334 is amended to read
2 as follows:

3 “(b) The State acreage allotment for wheat, less a re-
4 serve of not to exceed 3 per centum thereof for appor-
5 tionment as provided in subsection (c) of this section, shall be
6 apportioned by the Secretary among the counties in the
7 State, on the basis of the preceding year’s wheat allotment
8 in each such county, including for 1966 the increased acre-
9 age in the county allotted for 1965 pursuant to section 335,
10 adjusted to the extent deemed necessary by the Secretary
11 in order to establish a fair and equitable apportionment base
12 for each county, taking into consideration established crop
13 rotation practices, estimated decrease in farm allotments
14 because of loss of history, and other relevant factors.”

15 (5) Subsection (c) of section 334 is amended by adding
16 new paragraphs (3) and (4) to read as follows:

17 “(3) Notwithstanding the provisions of paragraph (1)
18 of this subsection, the past acreage of wheat for 1966 and
19 any subsequent year shall be the acreage of wheat planted,
20 plus the acreage regarded as planted, for harvest as grain
21 on the farm which is not in excess of the farm acreage
22 allotment.

23 “(4) Notwithstanding any other provision of this sub-
24 section (c), the farm acreage allotment for the 1966 and

1 any subsequent crop of wheat shall be established for each
2 old farm by apportioning the county wheat acreage allot-
3 ment among farms in the county on which wheat has been
4 planted, or is considered to have been planted, for harvest
5 as grain in any one of the three years immediately preceding
6 the year for which allotments are determined on the basis
7 of past acreage of wheat and the farm acreage allotment
8 for the year immediately preceding the year for which the
9 allotment is being established, adjusted as hereinafter pro-
10 vided. For purposes of this paragraph, the acreage allot-
11 ment for the immediately preceding year may be adjusted to
12 reflect established crop-rotation practices, may be adjusted
13 downward to reflect a reduction in the tillable acreage on
14 the farm and may be adjusted upward to reflect such other
15 factors as the Secretary determines should be considered
16 for the purpose of establishing a fair and equitable allotment:
17 *Provided*, That (i) for purposes of computing the 1966
18 allotment for any farm not in compliance with its 1964
19 farm acreage allotment, the 1965 acreage allotment shall
20 be reduced by 7 per centum; (ii) for the purposes of com-
21 puting the allotment for any year, the acreage allotment
22 for the farm for the immediately preceding year shall be
23 decreased by 7 per centum if for the year immediately pre-
24 ceding the year for which such reduction is made neither a
25 voluntary division program nor a certificate program was

1 in effect and there was noncompliance with the farm acreage
2 allotment for such year; (iii) for purposes of clause
3 (ii), any farm on which the entire amount of farm market-
4 ing excess is delivered to the Secretary, stored, or adjusted
5 to zero in accordance with applicable regulations to avoid
6 or postpone payment of the penalty when farm marketing
7 quotas are in effect, shall be considered in compliance with
8 the allotment, but if any part of the amount of wheat so
9 stored is later depleted and penalty becomes due by reason
10 of such depletion, the allotment for such farm next computed
11 after determination of such depletion shall be reduced by
12 reducing the allotment for the immediately preceding year
13 by 7 per centum; and (iv) for purposes of clauses (i) and
14 (ii) if the Secretary determines that the reduction in the
15 allotment does not provide fair and equitable treatment to
16 producers on farms following special crop-rotation practices,
17 he may modify such reduction in the allotment as he deter-
18 mines to be necessary to provide fair and equitable treatment
19 to such producers.”

20 (6) Subsection (d) of section 334 is repealed.

21 (7) Subsection (g) of section 334 is amended by
22 striking out the language “except as prescribed in the
23 provisos to the first sentence of subsections (a) and (b),
24 respectively, of this section” in the first sentence.

25 (8) Section 335 is amended by adding at the end

1 thereof the following: "This section shall not be applicable
2 to the crops planted for harvest in 1966 and subsequent
3 years."

4 (9) Section 339 (b) is amended (1) by striking out
5 "1964 and 1965 crops of wheat" and substituting "crops of
6 wheat planted for harvest in the calendar years 1964 through
7 1969"; and (2) by striking out of the third sentence "20
8 per centum of the farm acreage allotment" and "fifteen
9 acres" and substituting "50 per centum of the farm acreage
10 allotment" and "twenty-five acres", respectively.

11 (10) Section 339 (e) is amended to read as follows:
12 "The Secretary may permit all or any part of the diverted
13 acreage to be devoted to the production of guar, sesame,
14 safflower, sunflower, castor beans, mustard seed, and flax,
15 if he determines that such production of the commodity is
16 needed to provide an adequate supply, is not likely to
17 increase the cost of the price-support program and will not
18 adversely affect farm income, subject to the condition that
19 payment with respect to diverted acreage devoted to any
20 such crop shall be at a rate determined by the Secretary to
21 be fair and reasonable taking into consideration the use of
22 such acreage for the production of such crops: *Provided*, That
23 in no event shall the payment exceed one-half the rate which
24 otherwise would be applicable if such acreage were devoted
25 to conservation uses."

1 SEC. 502. Effective only with respect to the crops of
2 wheat planted for harvest in the calendar years 1966 through
3 1969, and the marketing years for such crops, section 379b
4 is amended to read as follows:

5 "SEC. 379b. A wheat marketing allocation program as
6 provided in this subtitle shall be in effect for the marketing
7 years for the crops planted for harvest in the calendar years
8 1966 through 1969. Whenever a wheat marketing alloca-
9 tion program is in effect for any marketing year the Secre-
10 tary shall determine (1) the wheat marketing allocation for
11 such year which shall be (i) the amount of wheat he esti-
12 mates will be used during such year for food products for
13 consumption in the United States, but the amount of wheat
14 included in the marketing allocation for food products for con-
15 sumption in the United States shall not be less than five hun-
16 dred million bushels, and (ii) that portion of the amount of
17 wheat which he estimates will be exported in the form of
18 wheat or products thereof during the marketing year on
19 which the Secretary determines that marketing certificates
20 shall be issued to producers in order to achieve, insofar
21 as practicable, the price and income objectives of this
22 subtitle, and (2) the national allocation percentage for
23 such year which shall be the percentage which the
24 national marketing allocation is of the amount of the
25 national marketing quota for wheat that would be

1 determined for such marketing year if a national marketing
2 quota for such year had been proclaimed less the expected
3 production on the acreage allotments for farms which will
4 not be in compliance with the requirements of the program.
5 The cost of any domestic marketing certificates issued to
6 producers in excess of the number of certificates acquired by
7 processors as a result of the application of the five hundred
8 million bushel minimum or an overestimate of the amount
9 of wheat used during such year for food products for con-
10 sumption in the United States shall be borne by Commodity
11 Credit Corporation. Each farm shall receive a wheat mar-
12 keting allocation for such marketing year equal to the num-
13 ber of bushels obtained by multiplying the number of acres
14 in the farm acreage allotment for wheat by the projected
15 farm yield, and multiplying the resulting number of bushels
16 by the national allocation percentage.”

17 SEC. 503. Effective beginning with the 1970 crop, sec-
18 tion 379b is amended by striking out “normal yield of wheat
19 for the farm as determined by the Secretary” and substituting
20 “projected farm yield”.

21 SEC. 504. (a) Effective upon enactment of this Act, sec-
22 tion 379d (b) is amended by striking out the third sentence
23 and substituting the following: “The Secretary may exempt
24 from the requirements of this subsection wheat exported for
25 donation abroad and other noncommercial exports of wheat,

1 wheat processed for use on the farm where grown, wheat pro-
2 duced by a State or agency thereof and processed for use by
3 the State or agency thereof, wheat processed for donation, and
4 wheat processed for uses determined by the Secretary to be
5 noncommercial. Such exemptions may be made applicable
6 with respect to any wheat processed or exported beginning
7 July 1, 1964. There shall be exempt from the requirements
8 of this subsection beverage distilled from wheat prior to
9 July 1, 1964. A beverage distilled from wheat after July 1,
10 1964, shall be deemed to be removed for sale or consumption
11 at the time it is placed in barrels for aging except that upon
12 the giving of a bond as prescribed by the Secretary, the pur-
13 chase of and payment for such marketing certificates as may
14 be required may be deferred until such beverage is bottled for
15 sale. Wheat shipped to a Canadian port for storage in bond,
16 or storage under a similar arrangement, and subsequent ex-
17 portation, shall be deemed to have been exported for pur-
18 poses of this subsection when it is exported from the Ca-
19 nadian port."

20 (b) Section 379 (d) is amended by inserting after the
21 word "flour" the following: "(excluding flour clears not used
22 for human consumption as determined by the Secretary)".

23 This subsection shall be effective on or after sixty days
24 following enactment of this Act, unless the Secretary shall

1 by regulation designate an earlier effective date within such
2 sixty-day period.

3 (c) Section 379d (b) is amended by adding at the end
4 thereof the following: "Whenever the face value per bushel
5 of domestic marketing certificates for a marketing year is
6 different from the face value of domestic marketing certifi-
7 cates for the preceding marketing year, the Secretary may
8 require marketing certificates issued for the preceding mar-
9 keting year to be acquired to cover all wheat processed into
10 food products during such preceding marketing year even
11 though the food product may be marketed or removed for
12 sale or consumption after the end of the marketing year."

13 (d) Section 379g is amended by inserting "(a)" after
14 "SEC. 379g" and adding a new subsection (b) as follows:
15 "(b) Whenever the face value per bushel of domestic
16 marketing certificates for a marketing year is substantially
17 different from the face value of domestic marketing certifi-
18 cates for the preceding marketing year, the Secretary is
19 authorized to take such action as he determines necessary to
20 facilitate the transition between marketing years. Notwith-
21 standing any other provision of this subtitle, such authority
22 shall include, but shall not be limited to, the authority to sell
23 certificates to persons engaged in the processing of wheat
24 into food products covering such quantities of wheat, at such
25 prices, and under such terms and conditions as the Secretary

1 may by regulation provide. Any such certificate shall be
2 issued by Commodity Credit Corporation."

3 SEC. 505. The Agricultural Act of 1964 is amended as
4 follows:

5 (1) Amendment (7) of section 202 is amended by
6 striking out "1964 and 1965" and substituting "the calendar
7 years 1964 through 1969".

8 (2) Amendment (13) of section 202 is amended by
9 striking out "only with respect to the crop planted for har-
10 vest in the calendar year 1965" and substituting "with re-
11 spect to the crops planted for harvest in the calendar years
12 1965 through 1969".

13 (3) Section 204 is amended by striking out "1964 and
14 1965" and substituting "1964 through 1969".

15 SEC. 506. Effective beginning with the 1966 crop, sec-
16 tion 107 of the Agricultural Act of 1949, as amended, is
17 amended to read as follows:

18 "SEC. 107. Notwithstanding the provisions of section
19 101 of this Act, beginning with the 1966 crop—

20 "(1) Whenever a wheat marketing allocation pro-
21 gram is in effect, (a) price support for wheat accom-
22 panied by domestic certificates shall be at 100 per
23 centum of the parity price or as near thereto as the Sec-
24 retary determines practicable, but in no event less than
25 \$2.50 per bushel, (b) price support for wheat accom-

1 panied by export certificates shall be at such level, not
2 in excess of the parity price therefor, as the Secretary
3 determines, and (c) price support for wheat not accom-
4 panied by marketing certificates shall be at such level,
5 not in excess of the parity price therefor, as the Secre-
6 tary determines appropriate, taking into consideration
7 competitive world prices of wheat, the feeding value of
8 wheat in relation to feed grains, and the level at which
9 price support is made available for feed grains.

10 “(2) Whenever a wheat marketing allocation pro-
11 gram is not in effect, the level of price support for any
12 crop of wheat for which a national marketing quota is
13 not proclaimed or for which marketing quotas have been
14 disapproved by producers shall be as provided in section
15 101.

16 “(3) Price support shall be made available only to
17 cooperators.

18 “(4) A ‘cooperator’ with respect to any crop of
19 wheat produced on a farm shall be a producer who (i)
20 does not knowingly exceed (A) the farm acreage allot-
21 ment for wheat on the farm or (B) except as the Sec-
22 retary may by regulation prescribe, the farm acreage
23 allotment for wheat on any other farm on which the pro-
24 ducer shares in the production of wheat, and (ii) com-

plies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c (b) , but the producer shall not be eligible to receive price support on the wheat so stored."

SEC. 507. Effective beginning with the crop planted for harvest in the calendar year 1966, section 339 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words "national acreage allotment", wherever they appear, the following: "(less an acreage equal to the increased acreage allotted for 1965 pursuant to section 335)".

SEC. 508. Effective beginning with crop planted for harvest in the calendar year 1966, section 379c (a) of the

1 Agricultural Adjustment Act of 1938, as amended, is
2 amended by amending the third sentence to read as follows:
3 “The Secretary shall provide for the sharing of wheat
4 marketing certificates among producers on the farm on a
5 fair and equitable basis.”, and by adding at the end thereof
6 the following: “An acreage on the farm not planted to wheat
7 because of drought, flood, or other natural disaster shall be
8 deemed to be an actual acreage of wheat planted for harvest
9 for purposes of this subsection.”

10 SEC. 509. Section 301 (b) of the Agricultural Adjust-
11 ment Act of 1938, as amended, is amended as follows:

12 (1) Paragraph (8) is amended by inserting “(A)”
13 after “(8)” and adding the following new subparagraph:

14 “(B) ‘Projected national yield’ as applied to any crop
15 of wheat shall be determined on the basis of the national
16 yield per harvested acre of the commodity during each of
17 the five calendar years immediately preceding the year in
18 which such projected national yield is determined, adjusted
19 for abnormal weather conditions affecting such yield, for
20 trends in yields and for any significant changes in produc-
21 tion practices.”

22 (2) Paragraph (13) is amended by adding the follow-
23 ing new subparagraphs:

24 “(J) ‘Projected county yield’ for any crop of wheat
25 shall be determined on the basis of the yield per harvested

1 acre of such crop in the county during each of the five cal-
2 endar years immediately preceding the year in which such
3 projected county yield is determined, adjusted for abnormal
4 weather conditions affecting such yield, for trends in yields
5 and for any significant changes in production practices.

6 “(K) ‘Projected farm yield’ for any crop of wheat shall
7 be determined on the basis of the yield per harvested acre of
8 such crop, on the farm during each of the three calendar
9 years immediately preceding the year in which such pro-
10 jected farm yield is determined, adjusted for abnormal
11 weather conditions affecting such yield, for trends in yields
12 and for any significant changes in production practices, but
13 in no event shall such projected farm yield be less than the
14 normal yield for such farm as provided in subparagraph (E)
15 of this paragraph.”

16 SEC. 510. (a) Section 379c (b) of the Agricultural Ad-
17 justment Act of 1938, as amended, is amended, effective be-
18 ginning with the 1966 crop, by striking out of the fifth
19 sentence the words “normal yield of wheat per acre estab-
20 lished for the farm” and substituting therefor the words
21 “projected farm yield”.

22 (b) Section 379i of the Agricultural Adjustment Act of
23 1938, as amended, is amended, effective as of the effective
24 date of the original enactment of the section, by inserting in

1 subsections (a) and (b) after the word “who”, wherever it
2 appears, the word “knowingly”.

3 SEC. 511. (a) Effective beginning with the crop planted
4 for harvest in 1966, paragraph (9) of section 301 (b) of the
5 Agricultural Adjustment Act of 1938, as amended, is
6 amended to read as follows:

7 “(9) ‘Normal production’ as applied to any number of
8 acres of rice or cotton means the normal yield for the farm
9 times such number of acres and for wheat means the pro-
10 jected farm yield times such number of acres.”

11 (b) Public Law 74, Seventy-seventh Congress, as
12 amended, is amended by changing the words “normal yield
13 of wheat per acre established for the farm” in paragraph (1)
14 to the words “projected farm yield”.

15 SEC. 512. In establishing terms and conditions for per-
16 mitting wheat to be planted in lieu of oats and rye, the
17 Secretary may take into account the number of feed units
18 per acre of wheat in relation to the number of feed units per
19 acre of oats and rye.

20 SEC. 513. Section 379c of the Agricultural Adjustment
21 Act of 1938, as amended, is amended, effective beginning
22 with the crop planted for harvest in the calendar year 1964,
23 by adding the following subsection:

24 “(e) Notwithstanding any other provision of law, the
25 amount of certificates issued with respect to any farm may be

1 adjusted by the Secretary for failure of a producer to comply
2 fully with the terms and conditions of the program formu-
3 lated under this subtitle.”

4 TITLE VI—CROPLAND ADJUSTMENT

5 SEC. 601. The Soil Bank Act of 1956, as amended,
6 is hereby repealed, except that it shall remain in effect with
7 respect to contracts entered into prior to such repeal.

8 SEC. 602. (a) Notwithstanding any other provision of
9 law, for the purpose of reducing the costs of farm programs,
10 assisting farmers in turning their land to nonagricultural uses,
11 promoting the development and conservation of the Nation's
12 soil, water, forest, wildlife, and recreational resources, estab-
13 lishing, protecting, and conserving open spaces and natural
14 beauty, the Secretary of Agriculture is authorized to for-
15 mulate and carry out a program during the calendar years
16 1965 through 1969 under which agreements would be en-
17 tered into with producers as hereinafter provided for periods
18 of not less than five nor more than ten years. No agreement
19 shall be entered into under this section concerning land with
20 respect to which the ownership has changed in the five-year
21 period preceding the first year of the agreement period unless
22 the new ownership was acquired by will or succession as a
23 result of the death of the previous owner: *Provided*, That
24 this provision shall not be construed to prohibit the continua-

1 tion of an agreement by a new owner after an agreement has
2 once been entered into under this section.

3 (b) The producer shall agree (1) to divert from pro-
4 duction all of one or more crops designated by the Secretary;
5 (2) to carry out on a specifically designated acreage of land
6 on the farm regularly used in the production of crops (here-
7 inafter called "designated acreage") and maintain for the
8 agreement period practices or uses which will conserve soil,
9 water, or forest resources, or establish or protect or conserve
10 open spaces, natural beauty, wildlife or recreational re-
11 sources, or prevent air or water pollution, in such manner as
12 the Secretary may prescribe; (3) to maintain in conserving
13 crops or uses or allow to remain idle throughout the agree-
14 ment period the acreage normally devoted to such crops or
15 uses; (4) not to harvest any crop from or graze the des-
16 ignated acreage during the agreement period, unless the Sec-
17 retary, after certification by the Governor of the State in
18 which such acreage is situated of the need for grazing or
19 harvesting of such acreage, determines that it is necessary
20 to permit grazing or harvesting in order to alleviate damage,
21 hardship, or suffering caused by severe drought, flood, or
22 other natural disaster, and consents to such grazing or har-
23 vesting subject to an appropriate reduction in the rate of
24 payment; and (5) to such additional terms and conditions
25 as the Secretary determines are desirable to effectuate the

1 purposes of the program, including such measures as the
2 Secretary may deem appropriate to keep the designated
3 acreage free from erosion, insects, weeds, and rodents.

4 (c) Under such agreements the Secretary shall (1)
5 bear such part of the average cost (including labor) for the
6 county or area in which the farm is situated of establishing
7 and maintaining authorized practices or uses on the desig-
8 nated acreage as the Secretary determines to be necessary
9 to effectuate the purposes of the program, but not to exceed
10 the average rate for comparable practices or uses under the
11 agricultural conservation program; and (2) make an annual
12 adjustment payment to the producer for the period of the
13 agreement at such rate or rates as the Secretary determines
14 to be fair and reasonable in consideration of the obligations
15 undertaken by the producers. The rate or rates of annual
16 adjustment payments as determined hereunder shall be in-
17 creased by an amount determined by the Secretary to be
18 appropriate in relation to the benefit to the general public
19 of the use of the designated acreage if the producer further
20 agrees to permit, without other compensation, access to such
21 acreage by the general public, during the agreement period,
22 for hunting, trapping, fishing, and hiking, subject to appli-
23 cable State and Federal regulations. The Secretary may
24 make the annual adjustment payments for all years of the
25 agreement period upon approval of the agreement or in such

1 installments as he determines to be desirable: *Provided*, That
2 for each year any annual adjustment payment is made in
3 advance of performance, the annual adjustment payment
4 shall be reduced by 5 per centum. The Secretary may pro-
5 vide for adjusting any payment on account of failure to
6 comply with the terms and conditions of the program.

7 (d) The Secretary shall, unless he determines that such
8 action will be inconsistent with the effective administration
9 of the program, use an advertising and bid procedure in de-
10 termining the lands in any area to be covered by agreements.
11 The total acreage placed under agreement in any county
12 shall be limited to a percentage of the total eligible acreage
13 in such county which the Secretary determines would not
14 adversely affect the economy of the county.

15 (e) The annual adjustment payment shall not exceed
16 50 per centum of the estimated value, as determined by the
17 Secretary, on the basis of prices in effect at the time the
18 agreement is entered into, of the crops or types of crops
19 which might otherwise be grown. The estimated value may
20 be established by the Secretary on a county, area, or individ-
21 ual farm basis as he deems appropriate.

22 (f) The Secretary may terminate any agreement with
23 a producer by mutual agreement with the producer if the
24 Secretary determines that such termination would be in the
25 public interest, and may agree to such modification of agree-

1 ments as he may determine to be desirable to carry out the
2 purposes of the program or facilitate its administration.

3 (g) The Secretary may, to the extent he deems it de-
4 sirable, provide by appropriate regulations for preservation
5 of cropland, crop acreage, and allotment history applicable
6 to acreage diverted from the production of crops under the
7 program for the purpose of any Federal program under
8 which such history is used as a basis for an allotment or other
9 limitation or for participation in such program.

10 (h) In carrying out the program, the Secretary shall
11 utilize the services of local, county, and State committees
12 established under section 8 of the Soil Conservation and
13 Domestic Allotment Act, as amended.

14 (i) For the purpose of obtaining an increase in the
15 permanent retirement of cropland to noncrop uses the Sec-
16 retary may, notwithstanding any other provision of law,
17 transfer funds appropriated for carrying out the program
18 to any other Federal agency or to States or local govern-
19 ment agencies for use in acquiring cropland for the preser-
20 vation of open spaces, natural beauty, the development of
21 wildlife or recreational facilities, or the prevention of air or
22 water pollution under terms and conditions consistent with
23 and at costs not greater than those under agreements entered
24 into with producers, provided the Secretary determines that

1 the purposes of the program will be accomplished by such
2 action.

3 (j) The Secretary also is authorized to share the cost
4 with State and local governmental agencies in the estab-
5 lishment of practices or uses which will establish, protect, and
6 conserve open spaces, natural beauty, wildlife or recreational
7 resources, or prevent air or water pollution under terms and
8 conditions and at costs consistent with those under agree-
9 ments entered into with producers, provided the Secretary
10 determines that the purposes of the program will be accom-
11 plished by such action.

12 (k) The Secretary is authorized to utilize the facilities,
13 services, authorities, and funds of the Commodity Credit
14 Corporation in discharging his functions and responsibilities
15 under this program, including payment of costs of adminis-
16 tration. There are hereby authorized to be appropriated
17 such sums as may be necessary to carry out the program,
18 including such amounts as may be required to make pay-
19 ments to the Corporation for its actual costs incurred or
20 to be incurred under this program.

21 (l) In case any producer who is entitled to any pay-
22 ment or compensation dies, becomes incompetent, or dis-
23 appears before receiving such payment or compensation, or
24 is succeeded by another who renders or completes the re-
25 quired performance, the payment or compensation shall,

1 without regard to any other provisions of law, be made as
2 the Secretary may determine to be fair and reasonable in
3 all the circumstances and so provide by regulations.

4 (m) The Secretary shall provide adequate safeguards
5 to protect the interests of tenants and sharecroppers, includ-
6 ing provision of sharing, on a fair and equitable basis, in pay-
7 ments or compensation under this program.

8 (n) The Secretary shall prescribe such regulations as
9 he determines necessary to carry out the provisions of this
10 subtitle.

11 TITLE VII—MISCELLANEOUS

12 SEC. 701. Section 374 (a) of the Agricultural Adjust-
13 ment Act of 1938, as amended, is amended to read as
14 follows:

15 “(a) The Secretary shall provide for ascertaining, by
16 measurement the acreage of peanuts and tobacco and by
17 measurement or otherwise, the acreage of wheat, cotton,
18 rice, or any other agricultural commodity or land use on
19 farms for which the ascertainment of such acreage is neces-
20 sary to determine compliance under any program adminis-
21 tered by the Secretary. Insofar as practicable, the acreage
22 of the commodity and land use shall be ascertained prior to
23 harvest, and, if any acreage so ascertained is not in com-
24 pliance with the requirements of the program, the Secretary,
25 under such terms and conditions as he prescribes, may pro-

1 vide a reasonable time for the adjustment of the acreage of
2 the commodity or land use to the requirements of the
3 program.”

4 SEC. 702. Section 374 (c) of the Agricultural Adjust-
5 ment Act of 1938, as amended, is amended by deleting the
6 first sentence thereof.

7 SEC. 703. Subsection (a) of section 316 of the Agri-
8 cultural Adjustment Act of 1938, as amended, is amended
9 (i) by striking out of the first sentence thereof “1962, 1963,
10 1964, and 1965,” and inserting “1962 through 1969” and
11 (ii) by striking out of the last sentence thereof “1964 or
12 1965” and inserting “a 1964 through 1969”.

13 SEC. 704. The Act of August 13, 1957 (Public Law
14 85-127), as amended, is amended by striking out the last
15 sentence thereof.

16 “SEC. 705. The Secretary of Agriculture in cooperation
17 with the House Committee on Agriculture and the Senate
18 Committee on Agriculture and Forestry shall make a study
19 of the parity income position of farmers and report thereon to
20 the Congress not later than June 30, 1966. The report shall
21 include a recommended formula for determining parity in-
22 come.

A BILL

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

By Mr. COOLEY

JULY 13, 1965

Referred to the Committee on Agriculture

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued July 16, 1965
For actions of July 15, 1965
89th-1st; No. 128

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HIGHLIGHTS: House committee voted to report farm bill. Senate passed housing bill, including title on rural housing. Senate committee reported disaster relief bill. Sen. Bass favored enactment of new cotton legislation. Rep. Curtis urged thorough examination of "processing tax on wheat." House Rules Committee deferred action on ASC committee employees' fringe benefits bill.

HOUSE

- FARM PROGRAM.** The Agriculture Committee voted to report (but did not actually report) H. R. 9811, the farm bill. p. D656
Rep. Curtis asked that "the processing tax on wheat be thoroughly examined and openly debated" and inserted newsletter of the First National City Bank of N. Y. and Secretary Freeman's reply. pp. 16460-63
- PERSONNEL.** The "Daily Digest" states that the Rules Committee deferred action on H. R. 2452, to extend the benefits of the Annual and Sick Leave Act of 1951, the Veterans' Preference Act of 1944, and the Classification Act of 1949 with respect to employees of county ASC committees. p. D657
- RESEARCH ANIMALS.** Rep. Resnick spoke in support of his bill to regulate the transportation, sale, and handling of dogs and cats intended to be used for research purposes or experimentation. pp. 16428-9

4. WATER. Rep. McCarthy discussed the Nation's water problems and said that the time has come to act and plan. pp. 16464-5
5. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon. the emergency highway relief bill would be brought up and that on Tues. and the balance of the week the House would consider H. R. 8283, the proposed Economic Opportunity Amendments of 1965, and H. R. 8856, to amend the Atomic Energy Act of 1954. p. 16423
6. ADJOURNED until Mon., July 19. p. 16477

SENATE

7. HOUSING LOANS. Passed, 54 to 30, with amendments H. R. 7984, the housing and urban development bill, after substituting the text of a similar bill, S. 2213 (pp. 16289, 16295-304, 16308-23, 16325-50). Title IX of the bill would provide a new \$300,000,000-per-year program of insured housing loans under the Farmers Home Administration in rural areas.
8. DISASTER RELIEF. The Public Works Committee reported with amendments S. 1861, the proposed Disaster Relief Act of 1965 (S. Rept. 459). p. 16357
Sen. Javits commended the announcement that the President has "asked a panel headed by the Secretary of the Interior to submit to him within a week a report on how the Federal Government could help alleviate the drought crisis in New England and Middle Atlantic States," and inserted an article on the situation. p. 16385
9. SILK; FOREIGN TRADE. Passed as reported H. R. 5768, to extend for an additional 3-year period (until Nov. 7, 1968) the existing suspension of duties on certain classifications of yarn of silk. pp. 16290-1
10. TRANSPORTATION. Conferees were appointed on H. R. 5401, to strengthen and improve the national transportation system (pp. 16313-4). House conferees have already been appointed.
11. VETERANS' BENEFITS. Began consideration of S. 9, to give cold war veterans educational and home-loan benefits similar to those for World War II veterans. pp. 16350-6
12. COTTON. Sen. Bass expressed hope that new legislation could be enacted to alleviate problems of the cotton industry and inserted an editorial, "Poor Cotton Farmers?". pp. 16375-6
13. ELECTRIFICATION. Sen. Proxmire commended and urged the reappointment of Joseph C. Swindler to the Federal Power Commission, stated that he had done a remarkable job with regard "to the regulation of the electric power industry," and inserted several items on the matter. pp. 16292-5
14. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee "concluded its hearings on S. 1702, proposed Food and Agriculture Act of 1965, and other pending farm legislation, after receiving further testimony from Secretary of Agriculture Orville L. Freeman." p. D654
15. MARKETING. Sen. Hruska expressed his opposition to enactment of S. 985, the proposed packaging and labeling bill. pp. 16385-7

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HIGHLIGHTS: House committee reported farm bill. House debated bill to expand poverty program. Rep. Purcell defended farm bill against charges it would raise bread prices. Rep. Callan praised USDA's information bulletins listing foods in heavy supply. Rep. Rosenthal commended USDA regulatory services.

HOUSE

1. FARM PROGRAM. The Agriculture Committee reported with amendment H. R. 9811, the farm bill (H. Rept. 631). p. 16939

Rep. Purcell defended the wheat provisions of the farm bill against criticism that it would cause an increase in the price of bread and stated that "the wheat certificate program would increase the cost of all wheat products to the American consumer by about \$1.60 per capita in an entire year." p. 16934

2. POVERTY. Began debate on H. R. 8283, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964. pp. 16851-912, 16928-9

3. LEGISLATIVE APPROPRIATION BILL, 1966. Received the conference report on this bill, H. R. 8775, which includes items for the Government Printing Office and the Library of Congress (H. Rept. 630). pp. 16937-8
4. CENSUS. A subcommittee of the Post Office and Civil Service Committee voted to report to the full committee with amendment H. R. 6183, to provide a mid-decade census of population, unemployment, and housing. pp. D674-5
5. RESEARCH. Rep. Cleveland inserted a letter in support of his bill, H. R. 5647, to establish humane standards for the treatment of experimental animals used in research financed by the Federal Government. p. 16929
6. FOREIGN TRADE. Received from GAO reports on "displacement of commercial dollar sales of tallow to the United Arab Republic, Department of State, Department of Agriculture, Agency for International Development." p. 16939

SENATE

7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 34, to make certain provisions in connection with the reconstruction of the Garrison diversion unit, Missouri River Basin project (S. Rept. 470). p. 16747
8. LANDS. The Interior and Insular Affairs Committee reported with amendments S. 1413, to provide for the termination of Federal supervision over the property of the Confederated Tribes of Colville Indians located in Wash. State and the individual members thereof (S. Rept. 490). p. 16747.
The Interior and Insular Affairs Committee reported without amendment S. 1190, to provide that certain limitations shall not apply to certain land patented to Alaska for the use and benefit of the Univ. of Alaska (S. Rept. 496). p. 16747
The "Daily Digest" states that the Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 903, to add certain lands to the Kings Canyon National Park, Calif. p. D672
9. TRANSPORTATION. The "Daily Digest" states that the Commerce Committee voted to report (but did not actually report) S. 1588, to authorize research and development in high-speed ground transportation. p. D671
10. NOMINATION. The nomination of Harry R. Anderson, Calif., to be an Assistant Secretary of the Interior, was confirmed. p. 16846
11. APPROPRIATIONS. Received from this Department a report on an "overobligation" within the Department. p. 16747
12. FARM LABOR. Sen. Nelson inserted an article calling attention to "unfortunate" living conditions of many migratory workers and acknowledging the efforts being made by Labor Secretary Wirtz in attempting to better these conditions. pp. 16774-5
13. FLOOD CONTROL. Sen. Symington spoke of the flood damage in the midwest and in support of the enactment of the rivers and harbors bill. p. 16779

FOOD AND AGRICULTURE ACT OF 1965

JULY 20, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

together with

A MINORITY REPORT AND ADDITIONAL VIEWS

[To accompany H. R. 9811]

The Committee on Agriculture, to whom was referred the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 4, line 3, strike out "Act" and insert "title".

Page 8, line 23, strike out "acrage" and insert "acreage".

Page 14, line 17, strike out "sentence" and insert "sentences".

Page 14, lines 24 and 25, strike out "Agricultural Adjustment Act of 1938, as amended," and insert "Act".

Page 15, line 10, strike out "forgo" and insert "forego".

Page 17, lines 18 and 19, strike out "to the extent prescribed by the Secretary" and insert "as provided in this subsection".

Page 24, line 19, following "SEC. 405." insert "The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 344 the following new section: 'Sec. 344a.'"

Beginning on page 25, line 6, through page 28, line 21, insert quotation marks before subsections (b), (c), (d), (e), (f), (g), (h), and (i), and insert closing quotation marks after the period on page 28, line 22.

Page 27, line 11, strike out "operate" and insert "operates".

Page 53, line 10, strike out "subtitle." and insert "title."

Page 54, line 16, strike out the quotations marks before "SEC. 705."

MAJOR PROVISIONS, H.R. 9811, THE FOOD AND AGRICULTURE ACT OF 1965

H.R. 9811 modifies and supersedes H.R. 7097, the original farm bill proposed by the administration, and as herewith presented embraces these major provisions:

Dairy (title I).—The class I dairymen's base plan authorized in the first title seeks to reduce surplus milk production and stabilize the income of dairy farmers in Federal milk order areas by removing the necessity for dairymen to maintain maximum production in order to preserve individual participation in the markets for milk for fluid consumption. The dairy title, similar in many respects to a bill passed by the Senate in the last Congress, would assign to each producer in a milk order area a fluid milk base, which would enable him to receive the higher price for milk consumed in fluid form on a specified quantity of his production, in lieu of a blended price on total production used for fluid consumption and for manufacturing into butter, cheese, powdered milk, and other milk products. This title was not a part of the original omnibus bill proposed by the administration.

Wool (title II).—The administration's proposal for changes in the wool program, to permit a system of graduated payments to producers based upon various levels of production, was not approved by the committee, which decided to continue the National Wool Act of 1954 through December 31, 1969. A floor of 77 percent of parity is set on wool price supports.

Feed grains (title III).—This title continues for 4 years the provisions of the present feed grains program for price-support loans, purchases, and in-kind payments to program participants. In keeping with the price-support range at 65 to 90 percent of parity for corn (with comparable levels for grain sorghum, barley, oats, and rye), it provides the basis for support prices around levels of recent years. Participants by diverting acreage from feed grain production to conservation uses would receive, as in the past, payments in kind to help maintain income. Payments would be based on a percentage of price-support rates, on per-acre yields, and on acreage diverted, as previously. The Secretary of Agriculture could permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seeds and flax, but not to soybeans. However, under certain conditions soybeans could be grown on permitted acres without loss of price-support payments. Price-support payments in kind could be varied and made only on part of the acreage planted for harvest.

Cotton (title IV).—The one-price cotton program, wherein American mills buy U.S. cotton at the same price it is offered to foreign mills, is extended for 4 years, through 1969, with modifications. The new bill (1) continues the 16-million-acre national minimum allotment, but establishes a domestic allotment within the farm allotment which will be not less than 65 percent of each farm allotment, (2) requires at least a 15-percent reduction from farm acreage allotment for participation in the program, (3) permits any producer to stay out of the pro-

gram and plant and sell without penalty at the market price an unlimited amount of cotton, (4) provides loans to cooperators at 90 percent of the estimated average world market price (for 1966, 21 cents), available on the actual production of cooperators, (5) payments will be made to cooperators on the projected yield of acreage within the domestic allotment actually planted, such payments to include price support at the rate of 9 cents a pound in 1966 and payment for retired acreage at the rate of 50 percent of the loan rate on the projected yield of acreage retired, the farmer being required to retire 15 percent of his effective allotment and having the option of retiring an additional 20 percent of his total allotment, (6) allotted cotton acreage released by a farmer not wanting to plant cotton in a given year could not be reapportioned to other farmers outside the county, and farmers receiving reapportioned acreage would not be eligible for land retirement payments, although they remain eligible for price-support loans and payments, (7) the Secretary, with payments per acre up to 25 percent higher than payments for renting out of acres under the cropland adjustment title of the bill, could acquire and permanently retire the cotton allotment on a farm where the owner agrees to enter into such a contract, (8) sale or lease of cotton acreage allotments between farmers is authorized within a county, or in other counties in the same state if producers in the selling county vote to do so, (9) cotton farmers could assign their direct payments to private lending agencies in obtaining production loans, (10) and exchange of cotton and rice allotments would be permitted, under certain circumstances.

Wheat (title V).—This title authorizes continuation of the voluntary wheat certificate program for 4 years with modifications from current provisions aimed at boosting wheat farmers' income by about \$150 million a year, reducing Government costs, and providing more freedom in the marketing system. Basically, it would call for a wheat operation for the 1965 through 1969 period similar to that in effect for 1964 through 1965 crops. The significant change from current operations would provide for price support for wheat with domestic certificates at or near 100 percent of parity and eliminate the need for export certificates to supplement wheat farmers' income. The support price for wheat for domestic food use would be increased about 50 cents per bushel to around \$2.50. This increase would be accomplished by higher value domestic certificates which are issued to producers to supplement their wheat prices and which are subsequently purchased by domestic wheat users in proportion to the amount of wheat used. Another change would permit producers to voluntarily divert a higher percentage of their allotments.

Cropland adjustment (title VI).—Under this title the Secretary would be authorized to enter into long-range contracts with farmers calling for conversion of unneeded cropland into vegetative cover, water storage facilities or other soil, water, wildlife or forest conserving uses. Contracts could run from 5 to 10 years and the signup period would run from 1965 through 1969. Payments under such contracts would be at rates determined by the Secretary. It is expected that about 8 million acres per year would be added to this program until it reaches its peak participation of 40 million acres in 1970. Primary emphasis would be placed on the conversion of acreage now being devoted to the production of surplus crops, but whole farms would be eligible for participation. The Secretary would have authority to

limit participation in a community if he found adverse economic effects were occurring. The Secretary could make lump-sum payments reflecting the total Government rental payments due to be paid during the life of the contract. He also could pay a special bonus to farmers willing to provide free public access for hunting, fishing, and trapping. He could pay to cities or other local governmental units an amount not to exceed that otherwise due participating farmers, if the city or local governmental unit purchases farmland for a public purpose. In order to be eligible to participate in this program, a farmer must have owned his farm for at least 5 years, unless the farm was acquired by inheritance or purchase from a farmer already in the cropland adjustment program.

Miscellaneous (title VII).—This final title would:

1. Expand a system of farmer certification of compliance with the acreage provisions of various programs, except for tobacco and peanuts. This has been successfully carried out on a pilot basis during the last 2 years. It would reduce administrative costs in operating acreage programs.

2. Extend the present authority through December 31, 1969, for growers to lease tobacco allotments to other farmers.

3. Make permanent the exemption of "boiled peanuts" in the definition of peanuts in the acreage allotment, marketing quota, and price-support programs.

4. Authorize a study on the parity of income position of farmers, to obtain more definitive information of the true income status of farmers relative to other segments of the economy. While parity prices and the parity ratio are a useful relative guide to the prices farmers receive, they do not reflect farmers' income position considering increased efficiency and productivity. Government income supplements, mortgage debt ratio to income, and other factors which have a direct bearing on farm income.

H.R. 7097, the administration's original omnibus farm bill, contained a certificate program for rice very similar to the program now in operation for wheat. This is an approach that might retain benefits for rice producers while bringing down Government costs which under the present rice production and price stabilization program are running at approximately \$180 million a year, or half the gross farm value of the rice crop. However, the testimony before the committee showed almost unanimous opposition from the rice industry. Therefore, the committee has not included the administration rice proposal in H.R. 9811. It is recognized that, in the absence of a new program, the Secretary of Agriculture will take all steps necessary under existing law to reduce the costs of the existing rice program.

Also not included in H.R. 9811 is the administration proposal for voluntary allotment acreage lease and sale between farmers for numerous crops under various farm programs, although such authority in modified form is included for cotton.

COMMITTEE AMENDMENTS

All the committee amendments are technical or clerical in nature.

STATEMENT

Agriculture has advanced on a broad front during recent years. The downtrend in farm income, which marked the middle and late 1950's, has been reversed.

Farm income is higher.

Grain surpluses have been cut dramatically.

Exports of farm products are at record levels.

More land has been protected for posterity.

Consumer food prices have been reasonable.

Food distribution programs have been expanded.

But the farmer still is far away from a parity position with our citizens in industry and commerce. He is not sharing equitably in our prosperity. The low-earning position of agriculture poses dangers to the total economic structure and is a challenge to the Nation.

Realized net farm income in 1965 is expected to be about \$13.5 billion, the highest since the Korean conflict. This is being achieved by determined and dedicated effort on the part of farmers, the Congress, and the administration.

However, the financial position of the commercial farmers who produce over 90 percent of our food and fiber continues precarious. Their debts have increased by 50 percent since 1960. These debts are twice what they were 10 years ago. Despite gains under recent Government policies, farm prices in 1964 were 15 percent below what they were 17 years ago. The farmer earned in 1964 on the average about \$1.05 per hour, less than the national minimum wage and far less than the \$2.61 average now prevailing for industrial workers.

There can be little, if any, doubt that without Government farm programs, agriculture today would be bankrupt. These programs are vital. They are helping greatly, but they have not broken the cost-price squeeze upon the farmer.

The farmer is increasing his mortgages, he is going deeper into debt, in a desperate effort to modernize his equipment and operations, so that he may improve his efficiency and stay in business at the prices he receives for what he produces. Our consumers of food and fiber are the beneficiaries of his increasing efficiencies, and of his struggles.

Consumers are spending less of their income on food than ever before. Food costs in America are smaller in relation to family income than in any other nation.

The weakness of the farmer's position in the marketplace is shown by figures on food purchases. Expenditures per person for food in the United States increased by \$105 from 1950 to 1964. Marketing firms—that is, the people and businesses operating between the farm gate and the retail food counter—received \$104 of the \$105 extra spent by the consumer. Farmers received only \$1 of the extra \$105. Actually, farmers today are getting less for the wheat in a very much higher priced loaf of bread than they received 15 years ago.

This is a very serious situation for our farmers, especially when we consider the great increases that have occurred in the cost of things they must buy to make their crops. In 1950 the farmer sold 1,185 bushels of wheat to buy a 30- to 39-horsepower tractor which then could be had for \$2,370; now it takes 2,053 bushels of wheat to pay for the same horsepower tractor which in 1964 carried a price tag of \$3,470.

H.R. 9811—the omnibus farm bill—seeks to consolidate the gains made in agricultural income during the last few years and to provide new tools to extend and expand these gains, in a way to best serve our farmers, our consumers, and our Nation. It is designed to meet important problems of city and town people as well as those of farmers. It will:

Reduce program costs.

Assure continuing abundant production of food and fiber at favorable prices to consumers.

Make farm commodity programs more effective in balancing supply with demand and improve the incomes of family farmers.

Maintain and increase farmers' purchasing power for industrial products.

Enable cities, counties, and States to acquire farmland for open space, natural beauty, recreation, and help in the drive against pollution of air and water.

Provisions for feed grains, cotton, and wheat—the three major longtime surplus commodities—would enable farmers to hold unneeded acreage out of production, permit domestic markets to carry out more normal marketing activities, and keep U.S. production competitive in world markets. Farmers' incomes would be protected by price supports and bolstered through certificates and payments.

The cropland adjustment program would supplement the commodity acreage diversion programs by providing more permanent and less costly retirement of land from production with the added feature of encouraging new uses for retired land.

The dairy provisions would help farmers reduce surplus milk production and stabilize their income.

The wool incentive program would be extended in line with the current program.

Farm commodity and other programs which the omnibus farm bill seeks to strengthen form the base of income stability for the Nation's agriculture. Without these programs economic studies indicate net farm income would be cut in half.

H.R. 9811, one of the most comprehensive pieces of farm legislation ever developed by this committee, does not do all for the food and fiber producers of this Nation that the committee would like to do at this time. It also involves costs to the Government higher than is desirable from a budgetary standpoint.

In general the committee adopted provisions which will hold farm income at current or higher levels while bringing about some reduction in Government costs. It is believed to be an equitable bill in view of many conflicting interests. The committee sought to reduce Government costs further. But it found that usually an alternative that would save \$100 million for the Government would reduce farm income by \$200 to \$300 million, or even more.

A majority of the committee is convinced that unless we maintain farm income at more equitable levels, hundreds of thousands of our most progressive farmers will find their debt position intolerable and will be forced into bankruptcy, with very serious repercussions in the economic and social orders of the Nation.

TITLE I—DAIRY

This title would provide authority for a class I dairymen's base plan in the 75 Federal milk marketing areas. It would encourage a reduction in surplus milk production and at the same time protect dairy producers' incomes. Adoption of the plan is optional with each market order area and could be put into effect only if approved by two-thirds of the producers voting in a referendum on the matter.

Provisions are:

1. Establishment of class I (fluid milk) base for each dairy producer in a Federal order market.

2. Producers would receive the higher "fluid milk price" on the base rather than in a blend price on all production.

3. The provisions would become effective in each order area only if approved by producers voting individually in a referendum.

4. Class I bases could be retained by producers during periods when production is below the base.

5. Transfer of class I bases among producers would be permitted.

6. New producers and hardship cases would share in the expanded growth of class I markets.

7. Other corrections would be made in the operation of milk marketing orders.

8. Provisions of this title would be effective through December 31, 1969.

Need for legislation

It would remove the necessity for dairymen to maintain maximum production in order to preserve their individual participation in the markets for milk for fluid consumption.

In milk-order areas, producers receive a blend price for their milk which is made up of a high price for milk for fluid uses and a lower price for nonfluid uses, primarily manufacturing purposes. As the proportion of milk used for nonfluid purposes increases, the blend price decreases. When this happens, farmers increase their production in order to maintain their income. As a result, the milk surplus climbs higher.

Under this title, each dairy farmer would receive the higher fluid price on his base. Milk produced above the base would be priced at the lower "manufacturing" level.

Under this plan, one farmer's surplus production would have less effect on the price and income of other farmers.

Program results

Title I of the omnibus bill offers the opportunity for increased producer income by eliminating the provisions which currently require uneconomic production.

The cost for operation of the dairy price-support program should be slightly reduced from the \$360 million level in the current fiscal year, as a result of the enactment of this new dairy provision.

Statistics

The following table lists the Federal milk marketing orders with total class I and total milk delivers for 1963 and 1964, and the percentage of deliveries which went for class I uses.

TABLE 1.—*Producer milk deliveries to handlers regulated under Federal orders and deliveries used in class I, 1964 and 1963¹*

Marketing area	Producer deliveries			Producer deliveries used in class I			Percent used in class I	
	1964	1963	Change 1964 over 1963	1964	1963	Change 1964 over 1963	1964	1963
	Thousand pounds	Thousand pounds	Percent	Thousand pounds	Thousand pounds	Percent	Percent	Percent
New England:								
Massachusetts-Rhode Island	3,253,751	3,243,371	0	1,945,092	1,958,307	-1.0	60	60
Connecticut	1,116,267	1,061,006	4.9	1,887,023	858,787	3.0	79	81
Total ²	4,370,018	4,304,377	1.2	2,832,115	2,817,094	.2	65	65
Middle Atlantic:								
New York-New Jersey	11,635,171	11,517,317	.7	5,712,081	5,653,194	.8	49	49
Delaware Valley	1,948,675	1,780,459	9.1	1,544,811	1,305,931	18.0	79	73
Total ²	11,635,171	11,517,317	.7	5,712,081	5,653,194	.8	49	49
South Atlantic:								
Upper Chesapeake Bay	786,306	753,625	4.1	566,639	528,417	6.9	72	70
Washington, D.C.	1,006,546	1,002,506	.1	720,737	695,300	3.4	72	69
Wheeling	174,239	169,485	2.5	135,414	132,984	1.5	78	78
Clarksburg	76,837	73,086	4.8	65,249	61,722	5.4	86	84
Tri-State	413,970	367,586	12.3	360,368	325,032	10.6	87	88
Appalachian	259,946	245,955	5.4	234,663	219,763	6.5	90	89
Southeastern Florida	510,545	506,752	.4	445,256	442,450	.3	87	87
Total ²	2,814,319	2,751,409	2.0	2,167,958	2,080,636	3.9	77	76
East north central:								
Eastern group:								
Upstate Michigan	69,106	69,288	-.5	43,211	42,517	1.4	62	61
Muskegon	124,300	118,469	4.6	73,794	75,357	-2.4	59	64
Southern Michigan	3,875,004	3,655,113	6.7	2,197,278	2,128,110	3.0	57	58
Toledo	383,577	370,426	3.2	282,757	290,507	-3.0	74	78
Northeastern Ohio	1,740,720	1,738,112	-.1	1,152,994	1,089,588	5.5	66	63
North-central Ohio	226,367	219,298	3.0	1,177,908	1,166,708	6.4	78	76
Columbus	527,570	445,381	18.2	402,588	344,962	16.4	76	77
Dayton-Springfield	460,869	442,344	3.9	342,730	329,108	3.8	74	74
Cincinnati	674,602	653,350	3.0	435,083	429,843	.9	64	66
Youngstown-Warren	240,774	273,733	-12.3	185,168	219,722	-16.0	77	80
Total ²	7,795,319	7,540,113	3.1	4,890,933	4,771,460	2.2	63	63

Western group:	125, 215	123, 885	.8	90, 407	90, 625	-5	72	73
Michigan Upper Peninsula	477, 533	466, 318	2.1	286, 002	269, 619	5.4	60	58
Northeastern Wisconsin	860, 913	805, 033	6.6	704, 532	677, 291	3.7	82	84
Milwaukee	127, 509	122, 774	3.6	99, 582	96, 511	2.9	78	79
Rock River Valley	6, 012, 257	5, 937, 871	1.0	4, 237, 717	4, 234, 698	1.4	439	439
Chicago	190, 068	189, 137	2	137, 881	136, 570	.7	72	72
South Bend-La Porte-Elkhart	263, 089	237, 718	10.4	192, 105	176, 409	8.6	73	74
Fort Wayne	862, 936	849, 762	1.3	646, 713	635, 346	1.5	75	75
Louisville-Lexington-Evansville	1, 070, 040	976, 167	9.3	777, 437	735, 037	5.4	73	75
Indianapolis	326, 288	326, 995	-5	239, 955	244, 285	-2.0	74	75
Suburban St. Louis	256, 996	235, 628	8.8	189, 161	170, 967	10.3	74	72
Madison	9, 502, 784	9, 295, 121	1.9	4, 959, 055	4, 832, 321	2.3	52	52
Total 1								
West North central:								
Duluth-Superior	170, 513	159, 883	6.3	89, 288	90, 748	-1.9	52	57
Minneapolis-St. Paul	1, 104, 475	1, 110, 009	-8	696, 186	690, 001	6	63	62
Eastern South Dakota	46, 403	41, 764	10.8	29, 113	29, 091	-2	63	70
Sioux Falls-Mitchell	129, 272	114, 843	12.2	90, 472	82, 918	8.8	70	72
Black Hills	51, 101	50, 024	.7	33, 548	38, 087	-12.2	66	75
North-Central Iowa	271, 972	284, 554	-4.7	245, 425	249, 337	-1.8	90	88
Cedar Rapids-Iowa City	246, 726	219, 480	12.1	146, 750	135, 423	8.0	59	62
Quadtities-Dubuque	256, 679	262, 647	-2.6	175, 129	170, 917	2.2	68	65
Des Moines	325, 150	314, 523	3.1	236, 349	233, 970	.7	73	74
Sioux City	75, 084	66, 928	11.9	46, 487	47, 788	-3.0	62	71
Nebraska-Western Iowa	535, 963	500, 973	6.7	406, 897	392, 849	3.3	76	78
Total 2	3, 213, 338	3, 126, 228	2.5	2, 195, 644	2, 161, 129	1.3	68	69
Southern group:								
St. Joseph	155, 978	148, 295	4.9	115, 481	122, 752	-6.2	74	83
St. Louis	871, 710	815, 874	6.5	639, 211	599, 207	6.4	73	73
Ozarks	260, 656	243, 511	6.8	187, 728	176, 835	6.5	72	75
Kansas City	696, 642	666, 347	4.2	527, 072	502, 249	4.6	76	75
Neosho Valley	124, 472	111, 107	11.7	79, 286	76, 647	3.1	64	69
Wichita	293, 307	273, 489	6.9	281, 869	190, 296	14.7	70	70
Southwest Kansas	70, 167	71, 516	-2.2	50, 028	48, 840	2.1	71	68
Total 3	2, 472, 932	2, 330, 139	5.8	1, 817, 675	1, 715, 826	5.6	74	74

See footnotes at end of table, p. 11.

TABLE 1.—*Producer milk deliveries to handlers regulated under Federal orders and deliveries used in class I, 1964 and 1963*—Continued

Marketing area	Producer deliveries			Producer deliveries used in class I			Percent used in class I	
	1964	1963	Change 1964 over 1963	1964	1963	Change 1964 over 1963	1964	1963
	Thousand pounds	Thousand pounds	Percent	Thousand pounds	Thousand pounds	Percent	Percent	Percent
East south central:								
Paducah.....	103,081	95,437	7.7	88,227	85,494	2.9	86	90
Nashville.....	382,228	353,913	7.7	312,042	287,608	8.2	82	81
Memphis.....	287,885	277,465	3.5	259,050	252,229	2.4	90	91
Knoxville.....	211,665	207,040	2.0	171,192	167,160	2.1	81	81
Chattanooga.....	203,112	192,958	6.0	177,670	153,233	15.6	87	79
Mississippi Delta.....	93,830	106,056	-11.7	79,657	88,308	-10.0	85	83
Central Mississippi.....	§ 155,662	§ 202,809	-----	§ 117,402	§ 147,403	-----	75	73
Mississippi gulf coast.....	§ 44,733	§ 65,110	-----	§ 36,321	§ 52,230	-----	81	80
Total ²	995,916	955,404	4.0	828,788	781,803	5.7	83	82
West south central:								
Northern group:								
Central Arkansas.....	212,935	203,785	4.2	197,158	190,550	3.2	92	94
Fort Smith.....	48,319	46,484	3.7	44,419	42,465	4.3	92	91
Oklahoma metropolitan.....	607,520	592,039	2.3	431,374	420,254	2.4	71	71
Red River Valley.....	179,977	189,411	-5.2	137,171	146,605	-6.7	76	77
Texas Panhandle.....	188,418	180,847	3.9	148,282	143,649	2.9	79	79
Lubbock-Plainview.....	74,816	69,120	8.0	67,725	63,704	6.0	90	92
Total ²	1,099,050	1,077,901	1.7	828,971	816,677	1.2	75	76
Southern group:								
Northern Louisiana.....	196,116	182,208	7.4	160,172	152,506	4.7	82	84
New Orleans.....	451,315	432,552	4.1	304,835	294,298	3.3	68	68
North Texas.....	1,037,407	983,310	5.2	751,745	745,496	.5	72	76
Central west Texas.....	181,116	181,871	-7	162,464	164,592	-1.6	90	90
Austin-Waco.....	153,917	148,892	3.0	143,961	141,116	1.7	94	95
San Antonio.....	266,666	248,845	6.9	213,136	217,683	-2.4	80	87
Corpus Christi.....	175,695	169,167	3.6	153,897	150,013	2.3	88	89
Total ²	2,462,232	2,346,845	4.6	1,890,210	1,865,704	1.0	77	79

SECTION-BY-SECTION ANALYSIS

Section 101.—This section would substitute for clause (d) in subparagraph (B) of subsection 8c(5)(B)(d), a new clause (d) which retains all of the present authority to include so-called base-surplus or base-excess provisions in milk marketing orders and, in addition, would expressly provide authority to make provision in marketing orders to adjust payments to producers and associations of producers to reflect current marketings of their milk in relation to sales of milk in any use classification or classifications during a prior representative period of time which need not be limited to 1 year. The additional authority also would provide that if a producer holding a base allocated under such new authority reduces his marketings as compared with his base period marketings, such reduction shall not adversely affect his history of production and marketing in such prior period for the determination of future bases.

TRANSFER

It would further provide that such allocations to producers may be transferable under an order on such terms and conditions as may be prescribed upon a determination by the Secretary of Agriculture that transferability will be in the best interest of the public, existing producers, and prospective new producers. It would also provide that if any increase in class I base results from increased consumption of class I milk or from forfeiture or surrender of previously established class I bases, any such increase shall first be made available to new producers and to alleviation of hardship and inequity among producers.

HARDSHIP CASES

Hardship would occur where a farmer's milk production was abnormally low during the base forming period as a result of circumstances beyond his control. For example, a farmer may have been forced to sell part of his herd during the base forming period because his sons were in the military service. Consequently, his base would be relatively small and inadequate upon his sons' return to the farm.

Other circumstances which might be considered as hardships during the base forming period include: (1) A producer who was in his first year of production during the base period and subsequently had increased herd size, et cetera, to planned levels; (2) disease in herd; (3) sons away at college; (4) reduced marketings due to pesticide residues and condemnation of milk.

PRODUCER BASES

The new clause (d) would provide authority to include "quota" or "base" provisions in Federal milk orders under which the higher values of the preferred sales under an order would be distributed only to those producers who supplied milk to the marketing area in the "base" period. Bases would be assigned to such producers based on their respective marketings in the base period. Milk marketed by a producer in excess of his allocation would not share in class I sales and the producer would receive only the surplus value for such excess regardless of its use. Producers not having such a base would not

share in the class I sales of the market. They could, however, obtain a base if transfers of existing bases were authorized under the order or in the event of an increase in the total class I sales in the market or the abandonment of bases by other producers, such producers could be assigned a base representing part of such increase or abandoned bases.

REFERENDUM

Section 101 also would add, at the end of said subparagraph (B) of subsection 8c(5), a new provision to the effect that notwithstanding the provisions of section 8c(19), order provisions under the new subparagraph (d) shall not become effective in a marketing order unless such provisions are separately approved by producers in a referendum in which each individual producer shall have one vote, and may be terminated separately whenever the Secretary determines that such provisions should be terminated as otherwise provided in subparagraph 8c(15)(B) for the termination of a complete order. This provision would prevent bloc voting by cooperatives for their members in a referendum on whether such separately considered provisions should be made a part of an order or retained in an order. It also would provide that disapproval or termination of such order provisions under the new subparagraph (d) is not to be considered disapproval of the entire order or of other terms of the order.

MANUFACTURING MILK

Section 102.—This section would add to section 8c(5) of the act a new paragraph (H) which makes it clear that orders applicable to milk and its products may be limited in application to milk used for manufacturing. Section 102 also would amend section 8c(18) of the act by inserting after the words “marketing area” in both places where they occur “or, in the case of orders applying only to manufacturing milk, the production area” to make it clear that the standards of 8c(18) would be applicable to marketing orders dealing solely with manufacturing milk on a production area basis. These amendments are designed to eliminate any question as to whether a marketing order relating to milk and its products can be established dealing solely with manufacturing milk and also to eliminate any question that the pricing standards applicable to such an order would be those set forth in section 8c(18) on a production area basis.

Section 103.—This section would limit the period within which the authority granted by the amendments specified in the bill, with respect to marketing orders, would remain effective to the period ending December 31, 1969. After December 31, 1969, the several authorities for provisions in marketing orders provided by this bill would terminate. However, the existing provisions of the Agricultural Marketing Agreement Act of 1937, as amended, would not be affected thereby and marketing order provisions based upon such presently existing authority would remain unaffected thereby.

PRODUCER-HANDLERS

Section 104.—This section would make it clear that it is not intended to alter the legal status of producer handlers of milk under the existing act.

In the course of hearings on this legislation the committee heard considerable testimony from producer-handlers of milk. Some of these handlers sell milk into and some sell outside of Federal order markets. Their position was one of opposition to the legislation, almost solely on the basis that it might be deemed to subject them to future requirements in order areas that they supply only an assigned share of the fluid milk sales in such areas or be subjected to pooling penalties.

Traditionally all Federal orders have exempted producer-handlers from such requirements and have limited regulation to those requirements designed to guarantee that, as sellers of fluid class I milk, producer-handlers use their own production as a source of supply without substantial use of the production of other dairymen.

The committee wishes to make it clear that it approves of the practice of keeping the producer-handlers' avenue of marketing open to dairy farmers without unduly burdensome restrictions and that this legislation shall not be deemed to be a justification for producer-handler inclusion in the pooling requirements of any Federal order. This is the purpose of section 104 of the bill.

This section means that this legislation is not to be regarded as a reason for, nor as any new legal authority to include producer-handlers in the pooling arrangements of Federal market orders and that if justification and legal authority for such inclusion did not exist prior to enactment of this legislation, it will not exist thereafter by virtue of any provision of this bill.

The committee wishes to express its disapproval of certain administrative restrictions on producer-handlers that have grown up under the act such as levying of assessments on milk produced over a period of 1 year, because of a violation which occurred on a single day and restrictions on the buying and selling of cattle, barns, and milking parlors, or on the manner in which business is conducted. Other than those restrictions which are necessary to define and maintain the status of producer-handlers.

At the same time we disapprove of special treatment for sellers of milk and milk products, however large or small, who do not confine the overwhelming bulk of their sales to their own production of milk or of special treatment for those producer-handlers who, singly or in the aggregate, have a volume of sales, which represents a substantial enough portion of the sales in a federally ordered market to substantially disrupt the operation of the order to the detriment of other dairymen in that market.

TITLE II—WOOL

SUMMARY

This title amends the National Wool Act of 1954, as amended, to continue the authority for a program of incentive payments on wool and mohair.

Provisions would:

1. Continue the wool and mohair program for 4 years through December 31, 1969.
2. Set a minimum support level at 77 percent of parity.

Changes from present program

This title would increase the minimum level of support to 77 percent of parity from the 60-percent minimum in the National Wool Act.

Based on the June 1965 parity price, this would be 64.1 cents per pound.

The support level for wool has been 62 cents per pound since the payment program became effective in 1955. As the parity price has steadily increased, this support price has been a declining percentage of the parity price—from 106 percent in 1955 to 74 percent in June 1965. The higher minimum support level would provide a support price which would reflect increases in parity prices and help cover higher costs of production.

Need for legislation

Without this legislation, authority for incentive payments on wool would expire at the end of this year. This would leave only a loan program as a means of supporting wool prices. This did not prove a satisfactory method in the past as U.S. production piled up in Government inventories while U.S. consumption was filled increasingly by foreign wool and synthetic fibers.

The United States uses more wool than it produces. Since the United States is on an import basis, world market prices largely determine the price level for domestic wool. U.S. producers cannot compete with the lower cost producing areas. The payment method has proved to be a practical means of providing price assistance to producers, while permitting domestic wool to compete with foreign wool and synthetic fibers.

Program results

At the present level of production, payments on wool amount to about \$2.6 million for each 1 cent the support price is above the national average of prices received by growers. Thus, increasing the support level from 62 to 64.1 cents a pound would increase both producer income and costs by about \$5.5 million.

Payments made since the incentive program has been in effect are summarized below:

Year: ¹	Total payments (thousands)	Year ¹ —Continued	Total payments (thousands)
1955-----	\$57, 614	1960-----	\$59, 490
1956-----	51, 915	1961-----	56, 895
1957-----	16, 104	1962----- ²	39, 992
1958-----	85, 143	1963-----	27, 200
1959-----	53, 865	1964-----	21, 100

¹ Marketing year, April–March, except 1963 and 1964. Data for 1963 represent payments for 9 months' April–December, and 1964 payments were for the calendar year.

² Includes payments of \$797,000 on mohair.

As noted in the table, payments on mohair were made in only one year, 1962. If mohair payments are required in the future, payments will increase about \$300,000 for each 1 cent the support price exceeds the national average price.

SECTION-BY-SECTION ANALYSIS

Section 201.—This section would extend the period during which prices of wool and mohair are to be supported to December 31, 1969.

Sections 202 and 203.—These sections amend section 703 of the Wool Act so as to raise the present minimum support price for shorn wool from 60 percent to 77 percent of parity.

TITLE III—FEED GRAINS

SUMMARY

This title continues the successful voluntary feed grain program for 4 more years (1966 through 1969 crops). It provides, as in the past, for price-support loans, purchases, and in-kind payments to program participants. In keeping the price support range at 65 to 90 percent of parity for corn (with comparable levels for grain sorghum, barley, oats, and rye) it provides the basis for support prices around levels of recent years. Participants by diverting acreage from feed grain production to conservation uses would receive payments in kind to help maintain income. Provisions include:

1. Corn and grain sorghum are included, and (if designated by the Secretary) barley. Oats and rye also may be included but only as a substitute for wheat acreage.

2. Malting barley may be exempted from diversion requirements as in the past.

3. If feed grain producers wish price support, they must participate in the feed grain program to the minimum extent prescribed by the Secretary. In previous programs, this has been 20 percent of their base.

4. Price support for corn will be at 65 to 90 percent of parity and at comparable levels for grain sorghum, barley, oats, and rye.

5. In addition to price support loans and purchases, price payments in kind would be made to participants on such part of their base as is necessary to make the program effective. In a change from previous programs (under certain conditions), soybeans could be planted in lieu of feed grains for price support payment purposes.

6. Farmers who are prevented from planting their feed grains because of some natural disaster will be permitted to obtain the same program benefits as if they had planted.

7. Payments for diverting acreage from feed grain to conservation uses would be up to 50 percent of the county price support rate for the normal production of the commodity as under previous programs.

8. The yields on which diversion payments would be computed would be the yield expected on the farm in the current year rather than being tied to a historical 5-year average. This will bring program yields more nearly on a par with actual yields.

9. As in previous years under certain conditions, the diverted acreage could be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax at reduced payment rates.

10. Producers could plant wheat on their feed grain acreages and feed grain on their wheat acreages as under the 1965 program.

11. To assure that benefits will be commensurate with compliance rendered, more flexibility in determining payments earned is provided.

12. Up to 50 percent of the estimated diversion payments could be made at time of sign-up.

13. The provision that the established acreage of conserving crops on the farm must be maintained, is continued.

14. The existing authority for minimum resale prices of CCC-owned feed grains is continued.

Changes from previous program

Barley would be included only if designated by the Secretary. Barley stocks are near desirable levels and there is less need for acreage reduction.

Price support payments-in-kind can be varied and made only on a part of the acres planted for harvest. This would provide the mechanism to make payments to participants according to the degree of participation. The authority to make payments on only part of the acres planted—such as 50 percent of the base but not in excess of the acres planted—would provide the added flexibility to permit the channeling of funds to those farms making the greater contribution to the surplus reduction.

In order to obtain needed supplies of soybeans, the Secretary may permit producers to substitute soybeans for feed grains on their permitted feed grain acreage (but not on diverted acreage) and still earn their price-support payments on feed grains. This would give farmers added flexibility in their planning with the opportunity to maximize their income. At the same time, it could be used to encourage production of a commodity which has continued to outpace market needs while, at the same time, reducing production of unneeded feed grains.

The limitation that land diversion and price-support payments could not exceed 20 percent of the fair market value of the land would be removed. Land value is not always a fair criteria of producing capacity. Land in suburban areas is higher priced while not necessarily as a result of superior productiveness. In any event, these payments would be directly related to the farm's productive ability since they would be based on the farm expected yields.

Need for legislation

The feed grain program during the last 4 years has increased producer income \$3 billion above the level under the previous program. It has reduced the feed grain stocks more than 30 million tons from the record high 85-million-ton level at the end of 1960 crop-marketing seasons. It has kept Government costs down from what they would have been if the surplus had continued to rise. Each year it has encouraged new record levels of feed grain exports with little or no Government subsidy costs. It has promoted stability in the feed grain and livestock and poultry sectors of agriculture.

If legislation is not enacted for 1966, it would be necessary to return to the program of the 1950's. Existing legislation provides that prices be supported between 50 and 90 percent of parity, but at such level as will result in not increasing CCC stocks. This would mean a support of 75 to 80 cents per bushel for corn, with no protection against a renewed surplus buildup.

Feed grain acreage would return to levels of 1959 and 1960 which would produce crops well in excess of market requirements. Even though utilization might increase because of heavy supplies and low

prices, the surplus would probably climb by as much as 15 million tons. Two years of this would offset the surplus reduction achieved during the past 4 years and completely nullify the effort to reduce Government costs.

Lower prices would deal a devastating blow to farm income with the value of the corn crop pulled to below \$5 billion. Livestock would expand rapidly, demoralizing market prices.

Program results

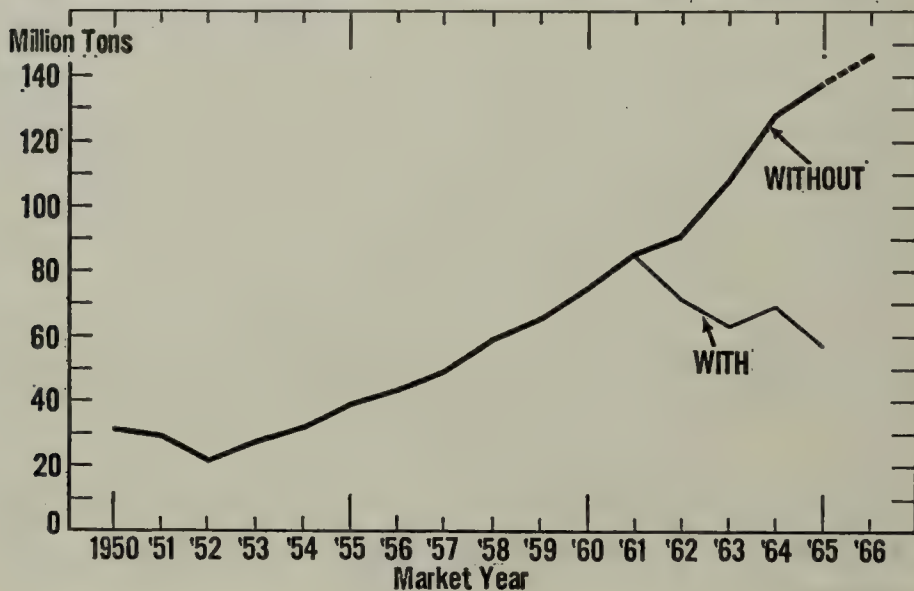
The feed grains title of this bill will mean continued improvement in feed grain farmers' incomes. Returns to feed grain producers have increased each year under the past voluntary programs. In 1964, the value of the crop (including payment) totaled \$6.7 billion, and it will be higher in 1965. In the absence of this legislation, returns to the producers would drop by at least a billion dollars. There would be no feed grain program, and we would return to the conditions of the late 1950's. Price support would be not less than 50 percent of parity so as not to add to Government stocks. This would mean corn at 75 to 80 cents per bushel.

As compared to a continuation of the program of the late 1950's, the voluntary feed grain programs have reduced ultimate costs to the Government by over \$2 billion. The authority provided in this bill will continue and increase these savings. As a result of the greater flexibility in the program provisions, and the authorization of a long-term cropland adjustment program, it is estimated that this bill will reduce program costs by over \$100 million in the first year, compared with costs under a simple extension of the feed grain program. This assumes no change in CCC minimum resale prices. Higher minimums would result in increased costs.

Statistics

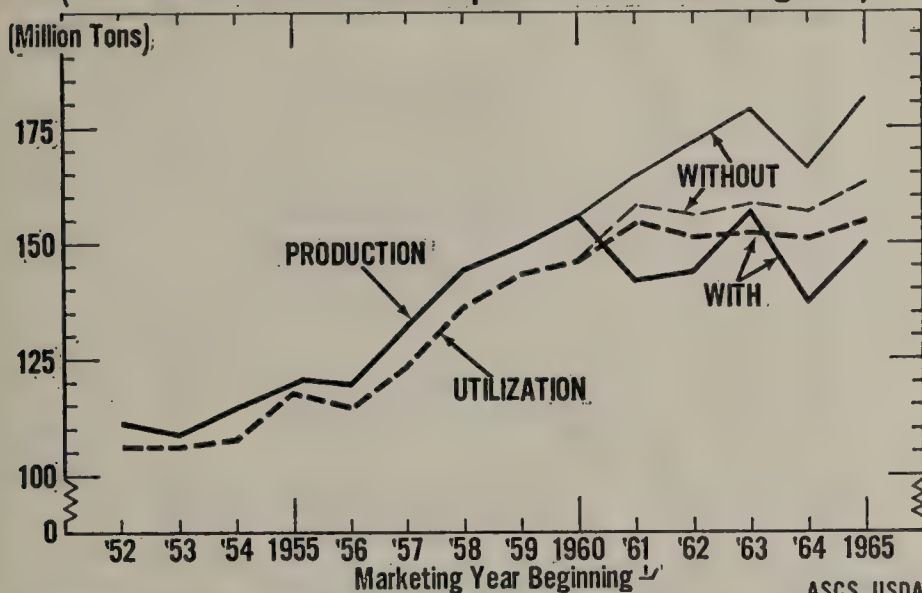
The following tables summarize feed grain program participation, feed grain supply and disappearance and support and market prices.

FEED GRAINS: Carryover Stocks 1950-65 (1961-65 with and without Special Feed Grain Programs) Beginning of Marketing Year



June 8, 1965

FEED GRAINS: Production and Utilization, 1952-65 **(1961-65 With and Without Special Feed Grain Programs)**



✓ 1 October 1 for Corn and Grain Sorghum; July 1 for Barley and Oats

ASCS, USDA
June 8, 1965

UNITED STATES: Yield per Acre Harvested for Grain Corn and Grain Sorghums, 1950-64 (SRS Data)

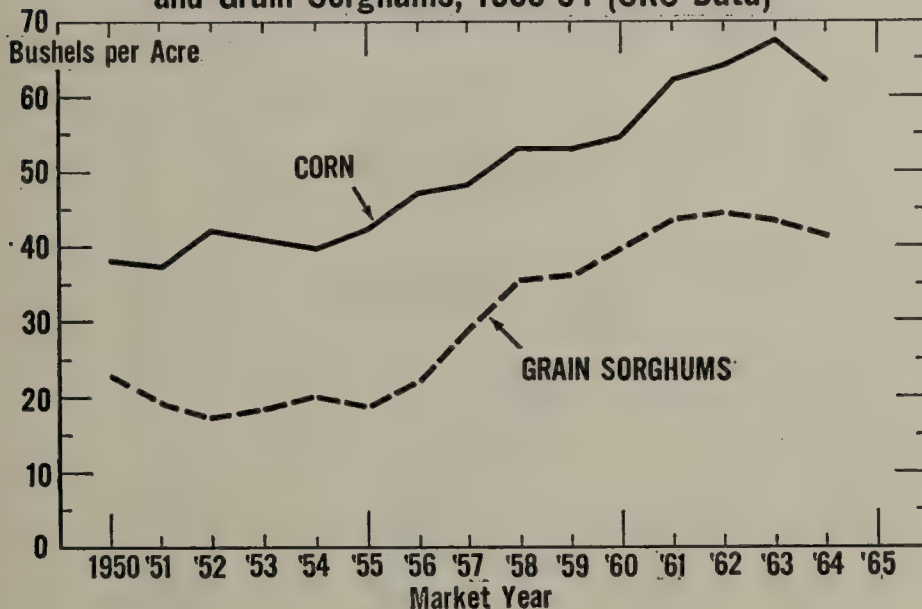


TABLE 1.—Total, 4 feed grains: Supply, disappearance, value of production, and acreage, United States, marketing years, 1952-65

[All data in millions]

Year beginning ¹	Supply (tons)			Utilization (tons)			Production factors	
	Carryover		Production	Im-ports ²	Total	Domestic		Value of produc-tion
	Govern-ment ³	Other				Feed	Food, seed, and industry	
1952-----	9.0	11.1	111.0	1.7	132.8	88.8	11.7	\$5,960
1953-----	14.8	12.2	108.3	2.2	137.5	89.9	12.1	5,581
1954-----	22.1	9.6	114.1	.9	146.7	89.7	12.4	5,580
1955-----	29.0	10.1	120.8	.8	160.7	96.9	12.5	5,346
1956-----	36.1	7.1	119.3	.9	163.4	94.3	12.6	5,366
1957-----	39.9	48.8	132.4	1.0	182.2	100.9	12.5	5,117
1958-----	43.7	59.0	144.1	.4	203.5	110.4	13.0	5,573
1959-----	58.2	9.3	149.6	.5	217.6	117.2	13.0	5,490
1960-----	66.8	7.8	155.6	.4	230.6	120.1	13.1	5,469
1961-----	76.3	8.4	140.6	.5	225.8	123.2	13.5	5,401
1962-----	65.9	7.9	142.9	.2	214.9	120.5	13.7	5,401
1963-----	57.3	6.6	156.4	.4	220.7	119.3	14.0	5,879
1964 ⁴ -----	57.0	11.7	136.9	.5	206.1	117.8	14.0	5,740
1965 estimate-----	48.2	7.4	55.6	-----	-----	-----	-----	-----

¹ Marketing year beginning Oct. 1 for corn and grain sorghum; July 1 for barley and oats.² Under loan and owned by CCC.³ Includes grain equivalent of products.⁴ Harvested for grain.⁵ Includes land diversion and price support payments as follows (million dollars): 1961, \$782; 1962, \$843; 1963, \$844; 1964, \$1,168.⁶ Preliminary.

Source: U.S. Department of Agriculture.

TABLE 2.—*Feed grains: Supplies, utilization, and production factors, United States, average 1958-62; annual 1956-65*
 [All data in millions except yields]

Marketing year beginning ¹	Supply (bushels)			Utilization (bushels)			Production factors				
	Carryover	Production	Imports ²	Total	Domestic		Exports ²	Total	Planted acres	Harvested acres ³	Yield per harvested acre (bushels)
					Feed	Food, seed, and industry					
CORN											
Average, 1958-62.....	1,686	3,670	1	5,357	3,080	305	311	3,696	74	65	57.3
1956.....	1,165	3,075	1	4,241	2,378	279	165	2,822	78	65	47.4
1957.....	1,419	3,045	2	4,466	2,534	280	183	2,997	73	63	48.3
1958.....	1,469	3,356	1	4,826	2,786	302	214	3,302	73	64	52.8
1959.....	1,524	3,825	1	5,350	3,050	301	212	3,563	83	72	53.1
1960.....	1,787	3,908	1	5,696	3,111	301	276	3,688	82	72	54.5
1961.....	2,008	3,626	1	5,635	3,253	307	435	3,995	67	58	62.0
1962.....	1,640	3,637	1	5,278	3,202	313	416	3,932	66	57	64.2
1963.....	1,346	4,092	1	5,439	3,103	326	500	3,929	70	61	67.6
1964 ⁴	1,510	3,549	1	5,060	3,099	326	510	3,935	67	57	62.1
1965 estimate.....	1,125	3,912	1	5,060	3,099	326	510	3,935	66	57	68.3
GRAIN SORGHUM											
Average, 1958 to 1962.....	553	549	(4)	1,102	371	12	97	480	18	14	39.8
1956.....	81	205	(4)	286	173	12	22	207	21	9	22.2
1957.....	79	568	(4)	647	269	12	57	338	27	20	28.8
1958.....	309	581	(4)	890	268	12	100	380	21	17	35.2
1959.....	510	555	(4)	1,065	370	14	100	484	20	15	36.0
1960.....	581	620	(4)	1,201	415	13	71	499	20	16	39.8
1961.....	702	480	(4)	1,182	411	11	99	521	14	11	43.8
1962.....	661	510	(4)	1,171	391	12	113	516	15	12	44.2
1963.....	655	588	(6)	1,243	475	13	106	594	18	14	43.3
1964 ⁴	649	490	(6)	1,139	422	12	105	534	17	12	41.1
1965 estimated.....	600	490	(6)	1,139	422	12	105	534	17	12	41.1

See footnotes at end of table, p. 22.

TABLE 2.—*Feed grains: Supplies, utilization, and production factors, United States, average 1958-62; annual 1956-65—Continued*

[All data in millions except yields]¹

Marketing year beginning ¹	Supply (bushels)			Utilization (bushels)				Production factors			
	Carryover	Production	Imports ²	Total	Domestic		Exports ³	Total	Planted acres	Harvested acres ³	Yield per acre harvested (bushels)
					Feed	Food, seed, and industry					
BARLEY											
Average, 1958-62.....	162	432	14	608	241	116	94	451	16	14	31.4
1956.....	117	377	27	521	217	115	62	394	15	13	29.3
1957.....	127	443	24	594	220	113	92	425	16	15	29.8
1958.....	169	477	14	660	231	116	117	464	16	15	32.3
1959.....	196	422	18	636	233	118	118	469	17	15	28.3
1960.....	167	431	15	613	238	116	86	460	16	14	30.9
1961.....	153	396	20	569	246	115	67	448	16	13	30.6
1962.....	124	436	5	565	237	114	84	418	15	12	35.1
1963.....	147	406	13	566	247	115	70	432	14	12	35.1
1964 ⁴	134	403	15	552	257	115	60	432	12	11	37.8
1965 estimate.....	120	364	-----	-----	-----	-----	-----	-----	11	10	38.3
OATS											
Average, 1958-62.....	312	1,128	2	1,442	990	121	29	1,140	34	27	42.7
1956.....	346	1,151	17	1,514	1,105	144	25	1,274	44	33	34.5
1957.....	240	1,290	25	1,555	1,070	135	26	1,231	42	34	37.9
1958.....	324	1,401	3	1,728	1,203	129	30	1,362	38	31	44.8
1959.....	366	1,052	2	1,420	989	121	43	1,153	35	28	37.9
1960.....	267	1,155	1	1,423	946	125	27	1,098	32	27	43.4
1961.....	325	1,011	1	1,337	922	117	21	1,060	33	24	42.2
1962.....	277	979	4	1,301	888	115	24	1,027	30	23	45.0
1963.....	274	920	4	1,257	826	110	6	942	29	22	45.2
1964 ⁴	315	882	4	1,201	813	108	5	926	27	20	43.2
1965 estimate.....	275	888	-----	-----	-----	-----	-----	-----	25	19	45.9

¹ Oct. 1 for corn and sorghum grain; July 1 for barley and oats.

² Includes gain equivalent of products.

³ Harvested for grain.

⁴ Preliminary.

⁵ Not reported separately.

⁶ Less than 500,000 bushels.

Source: U.S. Department of Agriculture.

TABLE 3.—*Corn: Support price, season average price received by farmers and CCC holdings, 1952-65 crops*

Crop year beginning Oct. 1	Price per bushel (dollars)		CCC holdings at end of marketing year ¹ (millions of bushels)		
	Price support	Season average	Inventory	Loans	Total
1952	1.60	1.51	236.0	277.8	513.8
1953	1.60	1.48	353.7	362.7	716.4
1954	1.62	1.43	621.5	236.1	857.6
1955	1.58	1.35	748.4	360.7	1,109.1
1956	1.50	1.29	873.3	386.6	1,259.9
1957	1.40	1.11	1,077.1	276.7	1,353.8
1958	1.36	1.12	1,184.3	216.3	1,400.6
1959	1.12	1.04	1,312.8	389.4	1,702.2
1960	1.06	.997	1,371.0	556.3	1,927.3
1961	1.20	1.08	867.3	688.8	1,556.1
1962	1.20	1.10	802.6	525.5	1,328.1
1963	² 1.25	1.09	828.4	480.3	1,308.7
1964 ³	² 1.25	1.16	625.0	375.0	1,000.0
1965 estimate	² 1.25		495.0	375.0	870.0

¹ As of Sept. 30 of the calendar year following the year of the crop.² For 1963, loan rate \$1.07 and 18 cents per bushel price-support payment; 1964, loan rate \$1.10 and 15 cents price-support payment; 1965, loan rate \$1.05 and 20 cents price-support payment.³ Preliminary.

Source: U.S. Department of Agriculture.

TABLE 4.—*Grain sorghums: Support price, season average price received by farmers and CCC holdings, 1952-65 crops*

Crop year beginning Oct. 1	Price per bushel (dollars)		CCC holdings at end of marketing year ¹ (millions of bushels)		
	Support price	Season average	Inventory	Loans ²	Total ³
1952	1.33	1.58	0.1	(³)	0.1
1953	1.36	1.32	21.8	0.3	22.1
1954	1.28	1.26	68.1	.2	68.3
1955	1.00	.98	76.2	(³)	76.2
1956	1.10	1.15	75.1	(³)	75.1
1957	1.04	.97	294.8	3.1	297.9
1958	1.02	1.00	490.6	12.9	503.5
1959	.85	.86	561.6	14.0	575.6
1960	.85	.84	673.5	20.5	694.0
1961	1.08	1.01	647.6	16.4	664.0
1962	1.08	1.02	612.1	25.3	637.4
1963	⁴ 1.12	.98	615.2	31.3	646.5
1964 ⁵	⁴ 1.12	1.06	565.0	25.0	590.0
1965 estimate	⁴ 1.12		540.0	25.0	565.0

¹ As of Sept. 30 of the calendar year following the year of the crop.² Excludes early loans from current crop.³ Less than 50,000 bushels.⁴ For 1963, loan rate \$0.96 and 16 cents per bushel price-support payment; 1964, loan rate \$0.99 and 13 cents price-support payment; 1965, loan rate \$0.92 and 20 cents price-support payment.⁵ Preliminary.

Source: U.S. Department of Agriculture.

TABLE 5.—Percentage of total eligible farms participating in 1961-64 feed grain programs, and enrollment in 1965 program

State	Program					
	1961	1962 ¹	1963	1964	1965, enrolled	
					Farms as percent of total farms	Farms
	Percent	Percent	Percent	Percent		Number
Alabama.....	27	35	29	33	38	43,191
Arizona.....	52	40	25	19	26	705
Arkansas.....	16	18	17	18	22	9,566
California.....	46	31	23	22	23	2,932
Colorado.....	44	31	32	40	54	14,156
Connecticut.....	4	7	11	14	15	346
Delaware.....	35	28	25	24	24	1,235
Florida.....	28	39	30	34	41	6,928
Georgia.....	16	31	29	35	42	39,821
Idaho.....	7	14	16	14	25	5,285
Illinois.....	48	42	38	34	39	81,800
Indiana.....	42	39	38	37	42	68,513
Iowa.....	56	58	60	62	65	123,555
Kansas.....	68	45	46	48	65	90,045
Kentucky.....	34	35	33	40	44	56,577
Louisiana.....	16	26	21	25	28	9,865
Maine.....	4	6	12	15	17	156
Maryland.....	19	15	16	17	19	4,258
Massachusetts.....	1	1	7	7	7	109
Michigan.....	35	37	29	32	41	44,227
Minnesota.....	50	45	56	55	65	93,218
Mississippi.....	21	30	28	30	35	31,086
Missouri.....	54	49	46	47	56	86,120
Montana.....	56	17	28	27	54	11,289
Nebraska.....	71	61	64	70	77	83,242
Nevada.....	27	6	12	9	10	56
New Hampshire.....			2	1	2	11
New Jersey.....	30	31	38	43	49	3,394
New Mexico.....	42	38	32	40	46	3,257
New York.....	36	35	34	36	42	19,707
North Carolina.....	31	38	31	34	37	64,205
North Dakota.....	72	43	51	57	80	52,269
Ohio.....	38	32	28	29	41	65,073
Oklahoma.....	44	34	33	32	52	38,609
Oregon.....	39	28	22	23	30	3,854
Pennsylvania.....	18	17	20	23	27	24,203
Rhode Island.....	(²)	1	3	3	3	6
South Carolina.....	26	37	28	34	41	28,636
South Dakota.....	48	37	47	45	66	43,400
Tennessee.....	34	39	37	39	43	51,333
Texas.....	46	47	38	38	46	89,227
Utah.....	18	16	23	24	28	3,202
Vermont.....	2	2	5	6	7	267
Virginia.....	22	25	26	29	32	24,206
Washington.....	33	28	20	18	46	5,446
West Virginia.....	6	8	25	29	34	5,583
Wisconsin.....	27	29	37	37	43	53,666
Wyoming.....	24	14	20	22	30	1,397
Total.....	40	38	37	39	47	1,489,222

¹ Barley program separate from corn and grain sorghum. Data may include duplication in instances where a farm grew barley as well as corn and grain sorghums.

² Less than 0.5 percent.

Source: U.S. Department of Agriculture.

TABLE 6.—Percentage of total base acreage on participating farms, 1961-64 feed grain programs, and enrollment in 1965 program

State	Program					
	1961	1962	1963	1964	1965 enrolled	
					Base as percent of total base	Base (acres)
						Thou- sands
Alabama.....	39	47	40	45	52	1,165.4
Arizona.....	58	57	47	39	43	159.3
Arkansas.....	30	39	28	27	31	182.7
California.....	62	50	40	37	41	932.0
Colorado.....	70	49	46	56	69	1,681.1
Connecticut.....	5	9	14	15	16	5.1
Delaware.....	47	39	33	31	30	55.0
Florida.....	43	56	43	48	57	408.6
Georgia.....	26	43	40	46	55	1,757.4
Idaho.....	14	31	32	29	53	436.9
Illinois.....	57	54	51	44	49	5,412.1
Indiana.....	54	50	50	46	52	3,010.2
Iowa.....	64	67	70	71	74	10,114.0
Kansas.....	80	60	58	61	77	7,229.3
Kentucky.....	51	50	47	52	57	1,137.5
Louisiana.....	25	45	30	37	41	203.1
Maine.....	4	7	13	15	16	1.4
Maryland.....	31	24	22	22	25	152.2
Massachusetts.....	1	2	7	8	7	1.6
Michigan.....	42	46	39	41	52	1,233.1
Minnesota.....	61	58	71	68	78	6,762.0
Mississippi.....	32	48	42	45	51	708.4
Missouri.....	74	68	63	62	72	4,271.8
Montana.....	75	20	44	38	76	1,680.5
Nebraska.....	80	72	74	79	85	8,396.8
Nevada.....	25	7	22	16	15	3.0
New Hampshire.....			2	2	2	.2
New Jersey.....	36	44	48	49	54	109.8
New Mexico.....	70	72	44	59	64	555.8
New York.....	45	41	40	41	48	365.9
North Carolina.....	45	53	44	44	49	1,113.0
North Dakota.....	90	48	61	68	86	5,315.5
Ohio.....	47	42	38	36	50	2,009.2
Oklahoma.....	58	46	43	42	62	1,945.6
Oregon.....	40	41	34	36	54	339.7
Pennsylvania.....	20	21	22	24	29	428.4
Rhode Island.....	(1)	1	3	4	4	.1
South Carolina.....	39	55	43	49	57	614.9
South Dakota.....	56	46	56	56	76	4,423.3
Tennessee.....	44	53	49	51	55	993.6
Texas.....	70	70	58	60	70	8,721.4
Utah.....	22	27	37	37	42	105.9
Vermont.....	2	4	6	6	8	3.9
Virginia.....	28	35	36	36	40	369.2
Washington.....	41	29	24	22	71	631.7
West Virginia.....	10	17	33	34	40	47.6
Wisconsin.....	39	39	50	47	54	1,722.9
Wyoming.....	40	24	29	34	47	106.3
Total.....	59	55	55	55	66	87,024.4

¹ Less than 0.5 percent.

Source: U.S. Department of Agriculture.

TABLE 7.—*Feed grain acreage diverted, 1961–64 feed grain programs, and intended diversion under 1965 program*

[In thousands of acres]

State	Program				
	1961	1962	1963	1964	1965 ¹
Alabama.....	413.7	566.4	514.1	633.9	745.5
Arizona.....	56.4	97.0	65.0	68.3	75.0
Arkansas.....	87.2	113.4	109.9	115.8	133.7
California.....	102.1	351.4	302.7	358.0	401.8
Colorado.....	332.2	390.1	380.4	637.7	743.4
Connecticut.....	1.0	1.8	3.0	3.5	4.0
Delaware.....	36.9	36.0	27.3	30.5	30.4
Florida.....	117.4	161.8	140.9	179.6	218.7
Georgia.....	310.8	571.8	589.6	798.9	958.4
Idaho.....	6.7	88.0	98.1	109.4	154.0
Illinois.....	2,105.1	2,042.7	1,533.7	1,694.6	1,829.9
Indiana.....	1,326.5	1,309.3	1,077.0	1,259.3	1,402.6
Iowa.....	2,784.4	3,094.9	2,399.5	3,558.4	3,555.2
Kansas.....	2,457.6	1,998.8	1,698.2	2,480.0	2,782.2
Kentucky.....	567.2	595.0	566.0	699.5	772.3
Louisiana.....	75.2	116.9	94.1	121.0	136.9
Maine.....	.3	.6	.9	1.2	1.3
Maryland.....	77.4	78.6	63.5	77.8	87.9
Massachusetts.....	.2	.3	.9	1.2	1.2
Michigan.....	531.5	598.3	485.6	599.4	744.4
Minnesota.....	1,519.3	1,738.7	1,684.8	2,167.6	2,450.4
Mississippi.....	231.4	352.7	346.9	407.7	466.6
Missouri.....	1,930.5	1,924.9	1,550.3	1,883.1	2,189.0
Montana.....	39.9	148.9	263.8	344.0	482.7
Nebraska.....	2,312.6	2,305.9	1,871.4	2,999.8	3,117.4
Nevada.....	.8	.8	2.0	1.7	1.5
New Hampshire.....			.1	.1	.1
New Jersey.....	37.4	48.6	49.1	60.9	68.5
New Mexico.....	106.1	123.7	123.2	224.6	252.8
New York.....	172.5	177.9	171.7	200.7	235.4
North Carolina.....	519.2	674.7	566.5	626.9	709.4
North Dakota.....	406.6	1,104.8	987.0	1,647.9	1,723.5
Ohio.....	995.4	870.4	673.2	788.4	998.0
Oklahoma.....	504.9	609.1	626.5	702.8	844.1
Oregon.....	15.3	94.0	77.3	102.0	124.9
Pennsylvania.....	159.6	199.1	198.4	250.2	293.9
Rhode Island.....	(²)	(²)	.1	.1	.1
South Carolina.....	199.9	293.0	263.5	331.4	388.8
South Dakota.....	887.8	868.7	835.9	1,190.0	1,593.7
Tennessee.....	448.6	574.3	562.6	629.0	691.4
Texas.....	2,612.5	2,905.9	2,429.4	3,231.4	3,888.1
Utah.....	7.4	29.7	47.3	53.6	53.6
Vermont.....	.9	1.2	2.2	2.6	3.4
Virginia.....	127.3	199.1	183.8	214.2	237.5
Washington.....	19.1	92.0	71.4	87.6	164.9
West Virginia.....	8.9	16.2	26.1	30.5	35.3
Wisconsin.....	549.1	622.2	674.7	785.2	884.0
Wyoming.....	12.3	21.6	27.0	38.1	46.1
Total.....	25,215.1	28,211.1	24,466.6	32,430.3	36,722.9

¹ 1965 enrollment.² Less than 50 acres.

Source: U.S. Department of Agriculture.

TABLE 8.—*Summary of participation, 1961-64 feed grain programs, and enrollment in 1965 program*

Item	Program				
	1961 ¹	1962	1963	1964	1965 (enrolled)
Number of farms (thousands):					
Eligible.....	2,861	² 3,259	3,200	3,191	3,185
Participating.....	1,147	² 1,250	1,195	1,243	1,489
Number of acres (millions):					
Total base ³	107.9	123.4	123.8	125.8	127.1
Base on participating farms.....	63.6	68.1	72.6	73.5	87.0
Diversed.....	25.2	28.2	24.5	32.4	36.7

¹ Corn and grain sorghum only; succeeding programs also include barley.

² Barley program separate from corn and grain sorghum. Data may include duplication in instances where a farm grew barley as well as corn and grain sorghum.

³ Excludes acreage in conservation reserve program.

SECTION-BY-SECTION ANALYSIS

Section 301.—This section provides that for the 1966 through 1969 crops of feed grains, if a feed grain diversion program is in effect, producers would be required, as a condition of eligibility for price support, to participate in the diversion program to the extent prescribed by the Secretary. Existing law, which would remain in effect, provides that if an acreage diversion program is in effect for feed grains, price support for corn shall be at 65 to 90 percent of parity and at comparable levels for grain sorghums, barley, oats, and rye. The Secretary would be authorized to provide that malting barley producers may plant 110 percent of their 1959-60 barley acres to an acceptable variety of malting barley and still receive price support for barley if they do not devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959-60. This provision is not applicable to malting barley producers who substitute wheat for oats and rye pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. A payment-in-kind, in addition to price support provided through loans and purchases, would be authorized to be made available to producers participating in the acreage diversion program. In determining the amount or amounts of the payment-in-kind, the Secretary would be authorized to take into account the extent of participation by the producer. The payment-in-kind could be limited to such part of the feed grain base as the Secretary determines desirable to effectuate the purposes of the program. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster would be deemed an actual acreage of feed grains planted for harvest for purposes of computing such payments-in-kind. The Secretary could permit producers participating in the diversion program to grow soybeans in lieu of feed grains and still receive the feed grain payments-in-kind. The Secretary would be authorized to provide for distributing the payment-in-kind certificates on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the feed grain crop. This would permit taking into account the respective contributions of each producer on the farm in reducing feed grain. The Secretary would be authorized to make

payments-in-kind, with adjustments in the amount thereof, even though there is a failure to comply fully with the program. This authority would also be applicable to the 1964 and 1965 programs. If an acreage diversion program is not in effect, existing law provides that price support for corn shall be not less than 50 or more than 90 percent of parity as will not result in increasing Commodity Credit Corporation stocks and at comparable levels for grain sorghums, barley, oats, and rye.

Section 302.—This section provides for a feed grain acreage diversion program for the 1966 through 1969 crops of feed grains which would be similar to that in effect for 1964 and 1965 with some changes. Payments would be made at such rate or rates as the Secretary determined would provide producers with a fair and reasonable return for the acreage diverted, not in excess of 50 percent of the estimated basic county support rate, including the lowest rate of payment-in-kind in effect. The Secretary could permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determined that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income. The payment limitation of 20 percent of the fair market value with respect to acreage involved in the program would be removed. Barley would not be included in the program for malting barley producers who participate only with respect to corn and grain sorghums and meet the conditions specified in section 301. The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

Section 303.—This section would amend section 326 of the Food and Agriculture Act of 1962, which gave the Secretary authority to pay for performance rendered in reliance on erroneous advice of authorized representatives, to make it applicable to any program under which price support is extended or payments are made to farmers.

TITLE IV—COTTON

SUMMARY

This title would continue the one-price approach to keep domestic cotton and cotton products competitive with man-made fibers and foreign production. It would attack surplus cotton production with a program similar to the successful acreage diversion programs for feed grains and wheat. It would maintain cotton farmers' incomes through payment supplements.

Provisions are:

1. Extends the program through 1969 and continues the 16-million-acre national allotment.
2. Establishes farm domestic allotments, which will be not less than 65 percent of the farm acreage allotment.
3. Requires at least a 15-percent reduction from the farm acreage allotment, if price support or other program benefits are desired.
4. Price support payment rates will be geared to the acreage reduction. Rates will be highest to producers staying within their domestic allotment.

5. Permits any producer (old or new) to stay out of the program and plant and sell without penalty at the market price an unlimited amount of cotton.

6. Provides loans to cooperators at 90 percent of the estimated average world market price (for 1966, 21 cents) available on the *actual production* of cooperators.

7. Provides that payments will be made to cooperators on the projected yield of the acreage within the domestic allotment actually planted. Such payments will include price support at the rate of 9 cents a pound in 1966 and payment for retired acreage at the rate of 50 percent of the loan rate on the projected yield of acreage retired.

8. Makes producers who do not plant any of their acreage allotment eligible for a special retirement payment on 15 percent of such allotment. Balance of allotment may be released for reapportionment.

9. Provides that acreage surrendered for reapportionment under the release and reapportionment provision cannot go outside the county.

10. Provides that participating farms receiving reapportioned acreage will not be eligible for land retirement payments, but will be eligible for all price support loans and payments.

11. Requires CCC to make cotton available for unrestricted use at the same prices that it sells for export, but not less than 110 percent of the loan level, and that it must sell each year for unrestricted domestic use at the market price any shortfall between production and use, including exports.

12. Provides for the sale and lease of upland cotton allotments to other farms in the same county. If approved in a producer referendum, allotment transfers across county lines—but within the same State—would be authorized.

13. Authorizes an increased payment to cooperators in the cropland adjustment program who wish to permanently surrender their cotton allotment and acreage history. Acreages surrendered will be placed in reserve and not allotted to other growers.

14. Authorizes the exchange of rice and cotton allotments between farms in the same county or adjoining counties in the same State.

Producers planting their domestic allotments would receive, through market prices and payments, a blended return of 36.65 cents per pound on their entire 1966 production.

Changes from previous legislation

Price support loans would be not more than 90 percent of the average world market price for cotton. To maintain farm income from cotton, additional price support would be made at varying payment rates to producers, depending on participation with acreage reduction provisions.

The equalization payment made to handlers and others would be eliminated. U.S. cotton market prices would move with world prices.

Farmers could plant cotton in excess of the acreage allotment and forgo price-support loans and payments.

Exchange of rice and cotton allotments between farmers would be authorized.

The sale and lease of upland cotton allotments would be permitted.

Need for legislation

Unless legislation is enacted for 1966 and succeeding crops of cotton, the price of cotton to domestic mills would be increased several cents per pound under present statutory provisions. The 2-year program for 1964 and 1965 marketing years belatedly removed the inequity under which the textile industry has operated since 1956. During the past several months, domestic cotton users have bought U.S. cotton at the same price as foreign merchants and processors. Under this pricing arrangement, U.S. manufacturers are using substantially more cotton than in 1963-64. This bill would continue the "one-price" system established in 1964.

Under acreage provisions to remain in effect without any modifications for the coming year, rising yields would lead to a substantial increase in the surplus. Under the variety of choices available to farmers under this bill, production in 1966 would be reduced below expected production in 1965 and below expected domestic consumption and exports for the 1966-67 marketing year. This would begin to bring the burdensome carryover down to a more satisfactory level.

Reduction in surplus stocks through reduced plantings and increased domestic consumption and exports would result in reduction of Government expenditures on cotton. While expenditures may continue at relatively high levels in the immediate years ahead, costs will go down as the necessary adjustments in supply are made through acreage reductions, increased consumption from more competitive pricing and resultant decreased Government storage and interest outlays for the smaller holdings.

While exports this past year have been disappointing, the bill provides for cotton market pricing at levels approximating its true competitive position in world markets with the distinct possibility of a stronger export position for U.S. cotton.

Without this legislation, production would probably push the cotton surplus to a record high level of 15 million bales on August 1, 1967. Cotton consumption would decrease. This would be disastrous for the millions of persons throughout the Nation whose livelihood and well-being are dependent on a healthy cotton economy.

Program results

Under the committee bill, gross farm income from the 1966 crop (including payments) would be higher and net farm income would be considerably improved over the income levels in the 1965 program.

Examples of the operation of this bill on a hypothetical cotton farm are presented below.

Income effect for hypothetical farm

1965 CROP

Allotment	Production (bales)	Price	Gross	Cost of production ¹	Net
100 acres.....	100	\$145	\$14,500	\$10,000	\$4,500

1966 CROP

If 100 percent of domestic allotment is planted (65 percent of total allotment):					
65 acres.....	65	\$110	\$7,150		
65 acres times 480 times 14.65 cents (payment).....			4,570		
Total.....			11,720	6,500	5,220
If 75 percent of total allotment is planted:					
75 acres equals 75 bales times 110.....			8,250		
65 times 480 times 13.04 cents (payment).....			4,068		
Total.....			12,318	7,500	4,818
If 85 percent of total allotment is planted:					
85 acres equals 85 bales times 110.....			9,350		
65 times 480 times 11.42 cents (payment).....			3,563		
Total.....			12,913	8,500	4,413

¹ Assumes 20-cent per pound cost of production for a farm of this size. This figure would vary between farms and between areas perhaps as much as 8 cents a pound above and below this average. It is used for illustration only.

The blend price to producers for various levels of participation are:

	Cents
65 acres (22 cents plus 14.65 cents on 65 acres).....	36.65
75 acres (22 cents plus 13.04 cents on 65 acres).....	33.30
85 acres (22 cents plus 11.42 cents on 65 acres).....	30.73

The expenditures under the cotton program authorized by this bill for fiscal 1967 would be about \$100 million less than the average expenditures for the 1965 and 1966 fiscal years under the Agricultural Act of 1964.

Statistics

The following tables summarize cotton production, consumption, exports, and supplies for a number of years.

Summary of data on cotton

	Allotment (1,000 acres)	U.S. production (million bales)	Consumption (1,000 bales)	Exports (1,000 bales)	Ending carry-over (1,000 bales)	CCC ending stocks	Loans (1,000 bales)	Acquired (1,000 bales)	Spot market average (cents)	Export subsidy or dif- feren- tial	Loan rate, Middling 1-inch (cents)	Foreign free world produc- tion (million bales)	Foreign free world consump- tion (million bales)	Foreign free world exports (million bales)	Cotton acreage	
															United States (million acres)	Foreign free world (million acres)
1954	21,379	13.5	8,730	3,445	11,028	8.1	2,308	1,648	35.0	---	34.03	15.9	18.7	7.2	19.2	43.5
1955	18,113	14.6	9,085	2,194	14,399	9.8	7,257	6,038	35.4	(1)	34.55	16.4	19.5	9.4	16.9	47.2
1956	17,391	12.9	8,486	7,540	11,269	5.2	4,830	3,677	33.5	7.2	32.74	15.9	20.9	6.7	15.6	45.9
1957	17,585	10.8	7,900	5,707	8,615	2.9	3,657	2,464	34.4	6.2	32.31	16.9	20.4	6.9	13.5	46.0
1958	17,554	11.3	8,594	2,766	8,733	7.0	6,832	6,039	34.5	6.5	35.08	17.5	20.5	9.0	11.8	46.8
1959	17,346	14.4	8,879	7,178	7,404	5.0	335	26 (A, B)	31.9	8.0	{ 34.10 (A) 28.40 (B) }	16.6	22.2	8.4	15.1	45.0
1960	17,553	14.3	8,131	6,625	7,090	1.5	540	1 (A, B)	31.0	6.0	{ 32.42 (A) 28.63 (B) }	19.0	23.5	8.5	15.2	46.0
1961	18,458	14.3	8,783	4,908	7,741	4.7	4,850	3,247	33.7	8.5	33.04	19.5	23.6	8.9	15.6	48.3
1962	18,101	14.7	8,258	3,348	11,016	8.0	6,853	4,744	33.5	8.5	32.47	21.9	23.2	10.9	15.5	48.8
1963	16,250	15.0	8,468	5,661	12,131	10.2	8,098	6,029	33.2	8.5	32.47	21.9	24.3	10.5	14.1	49.7
1964	16,200	15.0	9,400	4,500	13,350	10.1	7,300	5,200	30.8	6.5	30	22.4	24.9	10.8	14.0	49.8
1965	16,200										29					

¹ Export differential on 1,000,000 bales averaged 7.5 cents per pound. There was no acreage reserve program was in effect in United States in 1956 to 1958.

* Estimate.

export differential on 1,200,000 bales.

Upland cotton—Estimates of basic data for 1963, 1964, 1965, and 1966

Item	1963 crop	1964 crop, March 1965 outlook	1965 crop (29 plus 4.35 cents)	Present law extended, 1966 (29 plus 4.35 cents)
	(1)	(2)	(3)	(4)
Acreage:				
Allotted.....thousands..	16,200	16,200	16,200	16,200
Soil bank, conservation reserve.....do.....	562	450	396	350
Planted.....do.....	14,700	14,729	14,100	14,300
Harvested.....do.....	14,070	13,953	13,600	13,700
Yield: pound per acre harvested.....	517	517	530	545
Domestic allotment.....thousand acres.....		10,766	10,425	10,080
Domestic allotment.....percent.....		67	65	63
Domestic allotment.....thousand bales.....				
Supply and utilization:				
Production.....do.....	15,036	15,031	15,000	15,550
Beginning stocks (including preseason ginning).....thousand bales.....	11,016	12,125	13,350	13,950
Imports and city crop.....do.....	152	100	100	100
Domestic disappearance.....do.....	8,468	9,400	9,500	9,600
Exports.....do.....	5,657	4,500	5,000	5,000
Ending stocks.....do.....	12,125	13,350	13,950	15,000
Support price per pound:				
Middling 1-inch.....cents.....	32.47	30	29	29
Average of crop.....do.....	31.7	29.3	28.3	28.3
Domestic allotment payment rate.....do.....		3.5	4.35	4.35
CCC minimum sales price, Middling 1-inch (export or domestic).....cents.....				
Effective price, domestic (average of crop).....cents.....	32	23	23	23
Effective price, export (average of crop).....do.....	23.5	23	23	23
PIK rate per pound.....do.....	8.5	6.5	5.75	5.75
Producer payments on domestic allotment acreage.....millions.....		\$40	\$71	\$71
Farm value of production.....do.....	\$2,420	2,250	2,175	2,255
Savings in direct cost on acres taken out of cotton (at \$70 per bale).....millions.....				
Total of production, payments, and savings.....millions.....	2,420	2,290	2,246	2,326

Upland cotton—Comparison of estimated expenditures for 1963, 1964, 1965, and 1966

[In millions of dollars]

Fiscal year	1963-64 actual	1964-65 March outlook	1965-66 (29 plus 4.35 cents)	1966-67, present law extended
	(1)	(2)	(3)	(4)
Major items of receipts or expenditures:				
Loans made.....	-1,266	-1,087.5	-1,029.5	-1,123.7
Loans repaid.....	+288	+343.3	+253.7	+246.5
Sales proceeds.....	+565	+638.9	+676.2	+676.2
Storage and handling charges.....	-54	-58.0	-56.0	-58.0
Subtotal, price support.....	-467	-163.3	-155.6	-259.0
Export subsidy.....	-23	-13.5		
Cotton products.....	-17	-3.5		
Public Law 480.....	-170	-151.0	-151.0	-151.0
PIK equalization payment (domestic and export).....		-464.7	-345.0	-347.9
Interim payments.....	-63	-25.0		
Domestic allotment payments.....		² -57.0	-71.3	-71.2
Total, major expenditures (excluding interest)¹.....	-740	-878.0	-722.9	-829.1
Change in CCC stocks (June 30) (from prior year).....	+1,650,000	+450,000.0	+350,000.0	+1,050,000.0

¹ Does not include miscellaneous expenses of about \$2,000,000 primarily for cotton classing.² Includes advance payments on 1965 domestic allotment program.

Bales used in computing expenditures for various programs

[In thousands of bales]

Fiscal year	1963-64	1964-65 (30 plus 3.5 cents)	1965-66 (29 plus 4.35 cents)	Present law extended, 1966, (29 plus 4.35 cents)
	(1)	(2)	(3)	(4)
Loans beginning July 1.....	4,786	6,156	5,200	5,550
Loans made.....	7,968	7,250	¹ 7,100	¹ 7,750
Loans repaid.....	1,880	224+2,050	200+1,550	200+1,500
Loans acquired.....	4,718	5,932	5,000	5,350
Loans ending June 30.....	6,156	5,200	5,550	6,250
Inventory, July 1.....	4,136	4,403	5,800	5,800
Loans acquired.....	4,718	5,932	5,000	5,350
Sales.....	4,451	4,535	5,000	5,000
Inventory ending June 30.....	4,403	5,800	5,800	6,150
CCC stocks, June 30.....	10,559	11,000	11,350	12,400
CCC stocks, July 31.....	10,167	10,100	10,450	11,500
Free stocks, July 31.....	1,964	3,250	3,500	3,500
Carryover, July 31.....	12,131	13,350	13,950	15,000
Effective allotment acres.....		2,700 plus 1,500.....	2,700 plus 3,000.....	2,700 plus 2,200.....
Domestic allotment acres.....		2,100 plus 1,000.....	2,100 plus 2,000.....	2,200 plus 1,400.....
Normal yield and payment rate.....		385, at 3.5 cents.....	400, at 4.35 cents.....	455, at 4.35 cents.....
Domestic allotment reduction.....		Minus 500.....	Minus 1,000.....	Minus 800.....
Sales:				
Domestic PIK.....		2,535, at \$147.50.....	2,500, at \$142.50.....	2,500, at \$142.50.....
Export.....		1,500, at \$115.....	2,000, at \$113.75.....	2,000, at \$113.75.....
Public Law 480.....		500, at \$185.....	500, at \$185.....	500, at \$185.....
PIK equalization payment.....		14,300, at 6.5 cents.....	12,000, at 5.75 cents.....	12,100, at 5.75 cents.....

¹ At \$145.*Cotton other than extra-long staple: Supply and distribution, United States, average 1935-39, 1945-49, and 1950 to date*[Thousands of bales ¹]

Year beginning Aug. 1	Supply					Distribution			
	Carry- over begin- ning of season	Produc- tion ²	Net imports	City crop	Total	Con- sump- tion	Net exports	De- stroyed	Total
Average, 1935-39.....	8,288	12,750	110	-----	21,148	6,858	5,297	57	12,212
Average, 1945-49.....	5,814	11,902	122	23	17,862	8,913	3,927	34	12,874
1950.....	6,781	9,789	68	28	16,666	³ 10,357	4,108	27	14,492
1951.....	2,196	14,983	26	40	17,244	³ 9,116	5,515	35	14,666
1952.....	2,741	15,031	61	42	17,874	³ 9,358	3,048	50	12,456
1953.....	5,511	16,295	50	43	21,899	8,475	3,760	75	12,311
1954.....	9,570	13,504	48	46	23,168	8,730	3,445	60	12,235
1955.....	11,028	14,591	51	47	25,718	³ 9,085	2,194	-----	11,278
1956.....	14,399	12,928	40	50	27,417	³ 8,496	7,540	-----	16,036
1957.....	11,269	10,783	41	58	22,151	³ 7,900	5,707	-----	13,607
1958.....	8,615	11,291	51	51	20,009	³ 8,594	2,766	-----	11,360
1959.....	8,733	14,435	48	50	23,266	8,879	7,178	-----	16,058
1960.....	7,404	14,287	42	63	21,796	³ 8,131	6,652	-----	14,756
1961.....	7,090	14,323	68	64	21,546	³ 8,783	4,906	-----	13,689
1962.....	7,741	14,712	55	68	22,575	³ 8,258	3,348	-----	11,606
1963.....	11,016	15,036	⁴ 48	102	26,204	³ 8,468	5,661	-----	14,129
1964 ⁵	12,125	⁶ 15,031	⁴ 35	80	27,271	-----	-----	-----	-----

¹ Running bales except imports which are in bales of 500 pounds.² Includes in-season ginnings.³ Adjusted to a cotton marketing year basis, Aug. 1-July 31.⁴ Imports for consumption.⁵ Preliminary and estimated.⁶ Crop Reporting Board report of May 10, 1965.

*Special programs of the U.S. Government for financing cotton exports, fiscal years 1961-62 to 1964-65*¹

Program	1961-62		1962-63		1963-64		1964-65 ²	
	Value (million dollars)	Quantity (million bales) ³	Value (million dollars)	Quantity (million bales) ³	Value (million dollars)	Quantity (million bales) ³	Value (million dollars)	Quantity (million bales) ³
Mutual Security Act.....	8.3	0.1	(4)	(4)				
Export-Import Bank ⁵	57.4	.4	54.9	0.4	61.4	0.5	76.8	0.6
Public Law 480:								
Title I.....	149.9	1.1	144.0	1.0	115.2	.9	110.6	.8
Title II.....	(6)	(7)						
Title IV.....	6.9	.1	26.0	.2	5.4	(7)	14.3	.1
Total ⁸	222.6	1.6	224.9	1.7	182.0	1.4	201.7	1.4
Barter.....	3.7	(7)	0	0	20.3	.2	⁹ 37.7	⁹ .3

¹ Authorized for delivery, shipment, and disbursement.

² Preliminary. Includes carryover as of July 31, 1964, and all authorizations through May 18 which may or may not be utilized in fiscal 1965. Does not include agreements for which authorizations have not been made.

³ Running bales partly estimated.

⁴ Mutual security program discontinued.

⁵ Includes only amounts advanced by participants or disbursed by others at Export-Import Bank risk.

⁶ Less than \$50,000.

⁷ Less than 50,000 bales.

⁸ Totals made from unrounded data.

⁹ July 1964-March 1965.

Production and percentage distribution of cotton by regions, United States, 1930 to date

Crop year beginning Aug. 1	Production (1,000 bales 500 pounds gross weight)					Percentage of U.S. crop			
	West ¹	South-west ²	Delta States ³	South-east ⁴	United States	West ¹	South-west ²	Delta States ³	South-east ⁴
1930.....	519	4,892	3,589	4,933	13,932	4	35	26	35
1931.....	393	6,582	5,464	4,658	17,097	2	39	32	27
1932.....	270	5,584	3,921	3,228	13,003	2	43	30	25
1933.....	407	5,694	3,389	3,556	13,047	3	44	26	27
1934.....	466	2,722	3,157	3,291	9,636	5	28	33	34
1935.....	449	3,523	3,171	3,495	10,638	4	33	30	33
1936.....	744	3,223	4,724	3,708	12,399	6	26	38	30
1937.....	1,214	5,927	6,787	5,017	18,946	6	31	36	27
1938.....	716	3,649	4,572	3,007	11,943	6	31	38	25
1939.....	747	3,372	4,645	3,052	11,817	6	29	39	26
1940.....	868	4,036	4,122	3,540	12,566	7	32	33	28
1941.....	691	3,370	4,266	2,417	10,744	6	31	40	23
1942.....	706	3,746	5,108	3,256	12,817	6	29	40	25
1943.....	580	3,207	4,502	3,138	11,427	5	28	39	28
1944.....	579	3,280	4,939	3,432	12,230	5	27	40	28
1945.....	576	2,079	3,644	2,716	9,015	7	23	40	30
1946.....	758	1,931	3,413	2,539	8,640	9	22	39	30
1947.....	1,185	3,767	4,192	2,716	11,860	10	32	35	23
1948.....	1,532	3,527	6,282	3,536	14,877	10	24	42	24
1949.....	2,088	6,650	4,878	2,512	16,128	13	41	30	16
1950.....	1,639	3,188	3,518	1,669	10,014	16	32	35	17
1951.....	2,842	4,536	4,467	3,304	15,149	19	30	29	22
1952.....	3,098	4,072	5,068	2,901	15,139	21	27	33	19
1953.....	3,167	4,754	5,645	2,899	16,465	19	29	34	18
1954.....	2,716	4,234	4,507	2,240	13,697	20	31	33	16
1955.....	2,201	4,502	5,313	2,705	14,721	15	31	36	18
1956.....	2,578	3,876	4,629	2,227	13,310	19	29	35	17
1957.....	2,539	3,895	3,010	1,520	10,964	23	36	27	14
1958.....	2,644	4,621	2,883	1,364	11,512	23	40	25	12
1959.....	2,973	4,797	4,784	2,004	14,558	20	33	33	14
1960.....	3,086	4,804	4,448	1,934	14,272	22	34	31	13
1961.....	2,823	5,155	4,497	1,843	14,318	20	36	31	13
1962.....	3,128	5,037	4,724	1,978	14,867	21	34	32	13
1963.....	2,830	4,753	5,423	2,328	15,334	19	31	35	15
1964 ⁵	2,821	4,409	5,483	2,467	15,180	19	29	36	16

¹ West includes California, Arizona, New Mexico, and Nevada.

² Southwest includes Texas, Oklahoma, and Kansas.

³ Delta includes Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.

⁴ Southeast includes Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.

⁵ Crop report of May 10, 1965, Statistical Reporting Service.

Source: Crop Reporting Board, Statistical Reporting Service.

Cotton: Acreage, planted and harvested, and yield per acre on harvested acreage, by regions, 1950 to date

Crop year beginning Aug. 1	West ¹		Southwest ²		Delta ³		Southeast ⁴		Total
	1,000 acres	Percent	1,000 acres	Percent	1,000 acres	Percent	1,000 acres	Percent	1,000 acres
PLANTED ACREAGE ⁵									
1950.....	1,051	5.6	8,130	43.1	5,740	30.4	3,945	20.9	18,866
1951.....	2,227	7.6	14,915	50.8	7,325	25.0	4,886	16.6	29,353
1952.....	2,398	8.5	13,710	48.9	6,858	24.4	5,099	18.2	28,065
1953.....	2,384	8.9	11,794	43.9	7,570	28.1	5,124	19.1	26,872
1954.....	1,546	7.7	9,239	46.1	5,576	27.8	3,691	18.4	20,052
1955.....	1,332	7.4	8,495	47.2	4,881	27.1	3,283	18.3	17,991
1956.....	1,338	7.8	8,054	47.2	4,605	27.0	3,080	18.0	17,077
1957.....	1,289	9.0	6,838	47.8	3,959	27.7	2,224	15.5	14,310
1958.....	1,323	10.7	6,105	49.3	3,369	27.2	1,582	12.8	12,379
1959.....	1,497	9.5	7,435	47.0	4,346	27.4	2,555	16.1	15,833
1960.....	1,619	10.1	7,455	46.4	4,433	27.5	2,573	16.0	16,080
1961.....	1,446	8.7	7,785	46.9	4,639	28.0	2,718	16.4	16,588
1962.....	1,454	8.9	7,595	46.6	4,573	28.1	2,671	16.4	16,293
1963.....	1,353	9.1	6,845	46.1	4,165	28.1	2,480	16.7	14,843
1964.....	1,341	9.0	6,839	46.1	4,182	28.2	2,477	16.7	14,839
1965.....	1,282	9.0	6,500	45.5	4,134	28.9	2,378	16.6	14,294

HARVESTED ACREAGE

1950.....	1,026	5.8	7,495	41.9	5,493	30.8	3,829	21.5	17,843
1951.....	2,179	8.1	13,335	49.4	6,650	24.7	4,785	17.8	26,949
1952.....	2,357	9.1	11,920	46.0	6,633	25.6	5,011	19.3	25,921
1953.....	2,347	9.6	9,920	40.8	7,028	28.9	5,046	20.7	24,341
1954.....	1,509	7.8	8,660	45.0	5,459	28.4	3,623	18.8	19,251
1955.....	1,287	7.6	7,690	45.5	4,746	28.0	3,205	18.9	16,928
1956.....	1,290	8.3	6,915	44.3	4,441	28.4	2,969	19.0	15,615
1957.....	1,248	9.2	6,445	47.5	3,683	27.2	2,182	16.1	13,558
1958.....	1,288	10.9	5,805	48.9	3,206	27.1	1,550	13.1	11,849
1959.....	1,459	9.7	6,975	46.1	4,195	27.7	2,488	16.5	15,117
1960.....	1,577	10.3	6,955	45.4	4,284	28.0	2,493	16.3	15,309
1961.....	1,409	9.0	7,205	46.1	4,404	28.2	2,616	16.7	15,634
1962.....	1,418	9.1	7,112	45.7	4,434	28.5	2,605	16.7	15,569
1963.....	1,310	9.2	6,440	45.3	4,042	28.5	2,420	17.0	14,212
1964 ⁶	1,309	9.3	6,250	44.5	4,080	29.0	2,421	17.2	14,060

YIELD PER ACRE ON HARVESTED ACREAGE

[Pounds]

	West ¹		Southwest ²		Delta ³		Southeast ⁴		United States ⁵	
	Actual	Trend ⁷	Actual	Trend ⁷	Actual	Trend ⁷	Actual	Trend ⁷	Actual	Trend ⁷
1950.....	764	657	204	195	307	345	209	281	269	286
1951.....	625	683	163	211	322	372	331	294	269	307
1952.....	629	721	164	220	366	392	277	302	280	322
1953.....	646	766	230	233	385	389	275	300	324	331
1954.....	862	806	235	246	395	404	296	323	341	351
1955.....	818	830	281	260	536	430	405	343	417	373
1956.....	957	865	269	279	499	449	359	347	409	392
1957.....	974	901	290	299	392	463	334	354	388	410
1958.....	983	947	382	311	430	477	422	364	466	425
1959.....	975	966	330	324	546	505	386	382	461	444
1960.....	937	987	331	331	497	516	371	391	446	455
1961.....	959	-----	343	-----	489	-----	338	-----	438	-----
1962.....	1,056	-----	339	-----	510	-----	363	-----	457	-----
1963.....	1,034	-----	354	-----	642	-----	461	-----	517	-----
1964 ⁶	1,031	-----	338	-----	643	-----	488	-----	517	-----

¹ West includes California, Arizona, New Mexico, and Nevada.

² Southwest includes Texas, Oklahoma, and Kansas.

³ Delta includes Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.

⁴ Southeast includes Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.

⁵ Not adjusted to final acreage compliance with allotments.

⁶ Crop Reporting Board report of May 10, 1965.

⁷ Trend yield is 9-year centered average yield.

Sources: Crop Reporting Board, Statistical Reporting Service.

SECTION-BY-SECTION ANALYSIS

Title IV of H.R. 9811 would provide a 4-year program for upland cotton of the 1966, 1967, 1968, and 1969 crops.

Section 401 of the bill would amend the Agricultural Adjustment Act of 1938, as amended, as follows:

Paragraph (1) of section 401 of the bill would amend section 348 of the act by adding a new sentence at the end thereof which would provide that the Secretary may extend the period for performance of obligations incurred in connection with equalization payments made for the period ending July 31, 1966. Persons required to prove domestic consumption or exportation of raw cotton under the equalization payment program could be given additional time for exportation or consumption of such cotton so as to permit disposition of inventories on hand on July 31, 1966, for which equalization payments had been made. In the alternative, the Secretary would be authorized under this provision to make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date for equalization payments under section 348, but such inventory payments could not be made with respect to any 1966 crop cotton. This provision of the bill permits an orderly transition from the present program of equalization payments under section 348.

Paragraph (2) of section 401 of the bill would amend section 344(m)(2) of the act by adding a proviso to the second sentence thereof which would prohibit, for the 1966, 1967, 1968 and 1969 crops of upland cotton, the county committee from surrendering any excess released acreage to the State committee for reapportionment to farms in other counties in the State. Under present law, which would continue in effect, acreage history for all released acreage in the county would be protected.

Paragraph (3) of section 401 of the bill would add a new subsection (e) to section 346 of the act. This provision would permit, for the 1966, 1967, 1968, and 1969 crops of upland cotton, the farm operator to elect to forgo price support for any such crop by planting in excess of the farm acreage allotment established under section 344, or by planting cotton on a farm with no cotton allotment, and all cotton of such crop produced on the farm could be marketed free of any cotton marketing quota penalty. No acreage history would result from plantings of cotton in excess of such farm acreage allotment. However, under section 405(b)(vi) of the bill, unlimited plantings of cotton would not be permitted on farms from which cotton allotment is sold or leased to another farm. This prohibition would be for a 5-year period in the case of any sale of allotment and for the period of the lease in the case of any lease of allotment. Similarly, under section 406 of the bill, unlimited plantings of cotton would not be permitted on farms surrendering acreage and such prohibition would be applicable to the 5 succeeding crop years.

Paragraph (4) of section 401 of the bill would amend section 350 of the act to provide a domestic acreage allotment program for the 1966, 1967, 1968, and 1969 crops of upland cotton. The Secretary would establish a national domestic allotment for each such crop equal to the estimated domestic consumption of upland cotton (net weight bales of 480 pounds) for the marketing year beginning in the year in which the crop is to be produced. The Secretary would determine a farm domestic acreage allotment percentage for each such year by dividing (1)

the national domestic allotment (net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield. The farm domestic acreage allotment percentage could not be less than 65 percent. The farm domestic acreage allotment would be determined by multiplying the farm acreage allotment established under section 344 (the effective farm acreage allotment after release and reapportionment) by the farm domestic acreage allotment percentage.

The Secretary is expected to place reasonable limits upon the cotton acreage which may be diverted from production through payments, in order that there will be an adequate supply of the various grades, staples, classes, and qualities of cotton available to meet market requirements, and so as not to discourage the consumption of cotton or to affect unduly the economy in cotton-producing areas or the services or facilities needed for the efficient production and marketing of cotton. It is the opinion of the committee that annual production of approximately 12 million bales of upland cotton is the minimum which, together with the cotton which could be made available from Commodity Credit Corporation stocks, is needed to maintain an adequate supply of the qualities needed in the market, discourage shifts to manmade fibers, and prevent an undue effect on the economy of the cotton-producing areas.

Section 402 of the bill would amend section 103 of the Agricultural Act of 1949, as amended, by adding a new subsection (d) to include the following provisions:

Subsection (d)(1) of section 103 of the 1949 act would provide that price support for the 1966, 1967, 1968, and 1969 crops of upland cotton shall be made available in accordance with subsection (d) of section 103 of the Act.

Subsection (d)(2) of section 103 would provide for price-support loans for each such crop to cooperators not exceeding 90 percent of the estimated average world market price for Middling 1-inch upland cotton at average location in the United States for the marketing year for such crop, as the Secretary determines will provide orderly marketing during the harvest season and will retain an adequate share of the world market for cotton produced in the United States, taking into consideration the factors specified in section 401(b) of the act. The national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling 1-inch upland cotton.

Subsection (d)(3) of section 103 would provide for additional price support through payments in cash or in kind to cooperators who participate in a cotton acreage reduction program. Such payments would be made on the quantity of cotton determined by multiplying the acreage planted to cotton within the farm domestic acreage allotment by the projected farm yield, except that any farm planting not less than 90 percent of the farm domestic acreage allotment would be considered to have planted the entire amount of such allotment for purposes of calculating such payments. The total of the national average loan rate for any crop under subsection (d)(2) and the rate at which payments are made under subsection (d)(3) shall not be less than 65 or more than 90 percent of the parity price for upland cotton.

Subsection (d)(4) of section 103 would provide price-support payments in addition to the payments authorized under subsection (d)(3) to cooperators, other than cooperators on farms receiving reapportioned acreage, who divert from the production of cotton to approved

conservation practices to the extent prescribed by the Secretary. Such diversion shall not exceed 35 percent of the farm acreage allotment. Such payments would be made on the quantity of cotton determined by multiplying the acreage planted to cotton within the farm domestic acreage allotment by the projected farm yield.

Subsection (d)(5) of section 103 of the 1949 act prescribes the combined rates of payments under subsection (d)(3) and (4) for the 1966 crop as follows:

(A) For farms on which the acreage planted to cotton does not exceed the farm domestic acreage allotment (65 percent of the farm allotment), an amount equal to 69.8 percent of the basic level of support (Middling 1-inch cotton at average location) under subsection (d)(2).

(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 percent (75 percent of the farm allotment), an amount equal to 62.1 percent of the basic level of support (Middling 1-inch cotton at average location) under subsection (d)(2).

(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 percent but by not more than 30.8 percent (85 percent of the farm allotment), an amount equal to 54.4 percent of the basic level of support (Middling 1-inch cotton at average location) under subsection (d)(2).

The Secretary could make not to exceed 50 percent of the payments under subsection (d) to producers in advance of determination of performance. The balance of the payment will be made when the producer divests himself of interest in the cotton.

Subsection (d)(6) of section 103 of the 1949 act provides that where the farm operator elects to participate in the acreage reduction program and no acreage is planted to cotton on the farm, price-support payments shall be made at a rate equal to 50 percent of the national average loan rate under subsection (d)(2) on the quantity of cotton determined by multiplying 15 percent of the farm acreage allotment (before any release) by the projected farm yield. The remaining 85 percent of the farm acreage allotment could be released. The 15 percent of the farm acreage allotment on which payment is made would be entitled to acreage history.

Subsection (d)(7) of section 103 of the 1949 act would provide that payments-in-kind shall be made through issuance of certificates which the Commodity Credit Corporation shall redeem for cotton valued at not less than the loan rate therefor. CCC could assist producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program under subsection (d).

Subsection (d)(8) of section 103 of the 1949 act would provide that payments under subsection (d) shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of the reduction in cotton acreage required to qualify for such payments and the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices during a base period prescribed by the Secretary. The Secretary could permit all or any part of such reduced acreage to be devoted to specified crops, if he determines such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program and will not adversely affect farm income.

Subsection (d)(9) of section 103 of the 1949 act would provide that the farm acreage allotment, before any release and reapportionment, would be regarded as planted to cotton for acreage history purposes on any farm which qualifies for payment under subsection (d) except for farms under subsection (d)(6). The acreage history of farms receiving payments under subsection (d)(6) is protected elsewhere in the bill or under existing law.

Subsection (d)(10) of section 103 would provide that the Secretary establish adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis in price support under subsection (d).

Subsection (d)(11) of section 103 would provide that the amount of price support payments for any farm may be adjusted for failure to comply fully with the terms and conditions of the program under subsection (d). This would permit partial payment where the non-compliance is not of such seriousness as to justify cancellation of the contract.

Subsection (d)(12) of section 103 would provide that in case of limitations later enacted with respect to price support under subsection (d) which prevent the Secretary from making available to all cooperators the full amount of price support to which they would otherwise be entitled under subsection (d) (2) and (3) for any crop, price support to cooperators shall be made available for such crop through loans or purchases at such level not less than 65 nor more than 90 percent of the parity price therefor as the Secretary determines appropriate. Such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price lower than the amount of the loan. Such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

Subsection (d)(13) of section 103 would amend the definition of "cooperator" in section 408(b) of the act for the 1966, 1967, 1968, and 1969 crops of upland cotton to be a producer on whose farm the acreage planted to cotton does not exceed 85 percent of the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended.

Subsection (d)(14) of section 103 of the 1949 Act would make the provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act, as amended, relating to assignment of payments, applicable to payments under this subsection.

Section 403 of the bill would amend section 301(b)(13) of the Agricultural Adjustment Act of 1938, as amended, by adding new subparagraphs (L) and (M) to define "projected national, State, and county yields" and "projected farm yield." The projected National, State, and county yields would be determined on the basis of the yield per harvested acre during each of the 5 calendar years immediately preceding the year in which such projected yield is determined, adjusted for abnormal weather conditions affecting such yields, for trends in yields, and for any significant changes in production practices. The projected farm yield would be similarly determined using the 3 calendar years immediately preceding the year in which such projected yield is determined but in no event could such

projected farm yield be less than the farm normal yield determined under section 301(b)(13)(I) of the act.

Section 404 of the bill would amend section 407 of the Agricultural Act of 1949, as amended, to provide for the period August 1, 1966, through July 31, 1970, (1) that the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, but not less than 110 percent of the current loan rate, and (2) that the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) and such quantities of cotton as are required to be sold under parts (1) and (2) shall be offered for sale in an orderly manner and so as not to affect market prices unduly. Sales under the authority of part (2) would not be subject to the 110 percent minimum sales price.]

Section 405 of the bill would authorize the transfer within a State of upland cotton allotments, excluding that part of any upland cotton allotment which the Secretary determines was apportioned to the farm from the national acreage reserve. *Under subsection (a)*, if the Secretary determines that it will not impair the effective operation of the cotton program, he may permit the owner and operator of any farm for which a cotton acreage allotment is established to sell or lease all or any part of such allotment to any other owner or operator of a farm and may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned by him.

Subsection (b) of section 405 of the bill provides that transfers by sale or lease under such section shall be subject to the following conditions:

- (1) No transfers to a farm in another State;
- (2) No transfer by sale or lease to a farm in another county unless the producers of cotton in the county from which allotments are to be transferred have voted in a referendum within 3 years of the date of such transfer, by a two-thirds majority of those voting, to permit such transfers out of the county;
- (3) No transfer from a farm subject to a mortgage or other lien unless the transfer is agreed to by the lienholder;
- (4) No sale from a farm if any sale to the same farm has been made within the 3 immediately preceding crop years;
- (5) The total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the larger of 100 acres or 150 percent of the average size of farm acreage allotments for cotton in the State;
- (6) No transfer shall result in a total of allotments for all commodities for the farm which exceeds 75 percent of the farm cropland;
- (7) No cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm for a period of 5 years following any sale of all or part of the farm acreage allotment from such farm. No cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm for the period of any lease of all or part of the farm acreage allotment from such farm. The producer on such farm would be required to agree to such prohibitions on unlimited planting, which otherwise would be permitted under section

346(e) of the act, as a condition of approval by the Secretary of any sale or lease of allotment; and

(8) No transfer shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer is in accordance with provisions of section 405 of the bill.

Subsection (c) of section 405 of the bill would provide for transfer of applicable acreage history, farm base and marketing quota except that in case of transfer by lease the allotment shall be considered to have been planted on the farm from which such allotment is transferred for purposes of determining allotments after expiration of the lease.

Subsection (d) would provide that the land in a farm from which the entire allotment and acreage history have been transferred shall not be eligible for a new cotton farm allotment during the 5 years following the year in which such transfer is made.

Subsection (e) would provide for appropriate reduction of the minimum farm allotment or base on a farm from which a transfer is made.

Subsection (f) of section 405 would provide that the Secretary shall prescribe regulations for the administration of section 5 of the bill, including provisions for adjusting the size of allotments transferred if the farm to which the transfer is made has a substantially higher yield per acre. Such adjustments will apply to transfers between farms under the same ownership, as well as to sales and leases.

Subsection (g) would provide for appropriate adjustments in the rates of payment if the farm from which the transfer is made is covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, but no adjustment would be made in the contract or agreement of the farm to which the transfer is made.

Subsection (h) would authorize the exchange between farms in the same county, or between farms in adjoining counties within a State, of cotton acreage allotment for rice acreage allotment. Any such exchange would be made on the basis of application filed with the county committee by the owners and operators of the farms. The exchange would include the related acreage history for the commodity. The exchange would be acre for acre or on such other basis as the Secretary determines is fair and reasonable, taking into consideration the comparative productivity of the soil for the farms involved and other relevant factors. No farm from which the entire cotton or rice allotment has been transferred would be eligible for a new farm allotment for cotton or rice within a period of 5 years of the exchange.

Subsection (i) of section 405 of the bill provides that the provisions of section 405 of the bill relating to cotton shall apply only to upland cotton.

Section 406 of the bill would provide that the Secretary may, to the extent he deems it desirable, provide for surrender of cotton allotment and acreage history applicable to acreage diverted from the production of cotton under the cropland adjustment program. No cotton in excess of the remaining acreage allotment on the farm shall be planted for the 5 succeeding crop years on any farm on which all or part of the allotment has been surrendered. Any cotton allotment or acreage history surrendered under this section would be deducted and held in reserve in establishing future National, State, county, and

farm acreage allotments and bases for cotton. The Secretary would be authorized to increase by not more than 25 percent the rate or rates of annual payments to producers who surrender cotton allotment and acreage history under this section. The Secretary could use CCC stocks and funds for effectuating payment to producers.

TITLE V—WHEAT

SUMMARY

This title would improve and continue for 4 years (1966 through 1969 crops) the voluntary wheat certificate program which in its first year of operation has achieved farm income and food price stability with reduced Government costs. The bill emphasizes the need for the United States to obtain its fair share of the world market for wheat. It would continue the favorable production and demand relationship which has reduced the wheat surplus more than 40 percent from the peak reached at the end of the 1960 crop marketing season. It would increase farm income from wheat by \$150 million and reduce Government costs by about the same amount.

Provisions are:

1. Marketing quotas would be suspended while the new program is in effect.

2. State, county, and farm wheat allotments would be continued but their computation would be simplified. Each would be computed on the basis of the preceding year's allotment instead of on the basis of 5- and 10-year averages. This would vastly simplify administrative operations and make the allotments easier for producers to understand. It would not significantly change the present acreage relationships between States, counties, and farms and would also reflect the increases made in small farm allotments under existing law.

3. The yields established for each farm for computing program benefits would be the yield presently expected for the farm, rather than an arithmetically computed yield tied to a historical average. Farm yields under present programs are a constant source of annoyance to farmers.

4. Producers desiring price support must comply with their acreage allotment, maintain the normal acreage of conserving crops on their farm, and devote to conservation uses the acreage they divert from wheat.

5. Diversion payments are authorized on additional voluntary diversion up to 50 percent of the farm allotment. The maximum payment rate could not exceed 50 percent of the loan rate.

6. Domestic marketing certificates would be issued for not less than 500 million bushels each year.

7. Wheat with domestic certificates would be supported at or near 100 percent of parity. This is about \$2.50 per bushel.

8. The added wheat cost in a loaf of bread because of the increased cost of certificates would be not more than seven-tenths of a cent.

9. Noncertificate wheat would be supported through loans at a level based on competitive world prices and the feeding value of wheat in relation to feed grains.

10. Authority for export certificates is continued.

11. Under certain conditions, as in past years, diverted acreages could be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seed, or flax at reduced payment rates.

12. Producers could plant feed grains on their wheat allotments and wheat on the feed grain permitted acres as in 1965, if they so desire. Wheat could also be planted on oat-rye bases under certain conditions if authorized by the Department.

13. Minimum price of CCC wheat for resale is not changed.

14. Authority to broaden provisions for exempting flour clears not used for human consumption from the marketing certificate requirement is included.

15. Provision is included to give the same program benefits to producers who are prevented from planting wheat because of natural disasters as they would have received if they had planted.

Changes from previous legislation

Under this bill, wheat for domestic food use would be supported at or near 100 percent of wheat parity. Wheat accompanied by domestic marketing certificates would be supported at around \$2.50 per bushel. This would increase the domestic marketing certificate by about 50 cents per bushel from the level for the 1965 program.

Noncertificate wheat and wheat for export would be supported at the Secretary's discretion at a level based on world market price and the feeding value of wheat. This would virtually eliminate the need for Government wheat export subsidies.

The minimum national acreage allotment under the bill would be the number of acres needed to produce required utilization on a projected national yield. Under the 1964 and 1965 programs, the national allotment cannot be less than 49.5 million acres.

Other changes in provisions would make certain certificate exemptions applicable to industrial wheat products more specific.

Processor certificate liability

The committee is aware of the lawsuit which has been brought by processors against the Secretary alleging that the regulations of the Department are inconsistent with the statute. Because of the critical importance of this matter to the whole statutory framework of the certificate program, the committee gave consideration to amending the language of the statute to make it doubly clear that the Congress intends that the processor be required to purchase certificates equivalent to the total number of bushels of wheat used in processing flour and other food products without deduction for the byproducts and wastes resulting in processing of flour or other food product, and not merely on the net weight of the flour or other food product, as contended by the processors. However, the committee believes that no amendment is needed. The present language of the statute in the opinion of the committee clearly expresses the congressional intention that the processor be required to purchase certificates equivalent to the total number of bushels of wheat used in processing flour and other food products. The committee feels that an amendment to the statute on the other hand might give rise to an erroneous impression that the Congress does not regard the statute as now written as being sufficiently clear on this point, and therefore, the committee has recommended no change in the language.

Need for legislation

Without legislation, the wheat program would return to mandatory provisions which the voluntary certificate program has demonstrated are not needed to maintain producers' incomes, to keep the surplus in check, to stabilize exports, and to reduce Government costs.

The certificate program provides voluntary acreage reduction provisions to keep production in line with needs. Its provisions increase farm income by giving wheat farmers an opportunity to share in the Nation's prosperity. At the same time, the Government would be relieved of costly subsidies in order to keep a fair share of the world market for U.S. wheat. It would provide the supplies necessary to continue the food-for-peace program wheat exports but at less cost.

Effect on bread prices

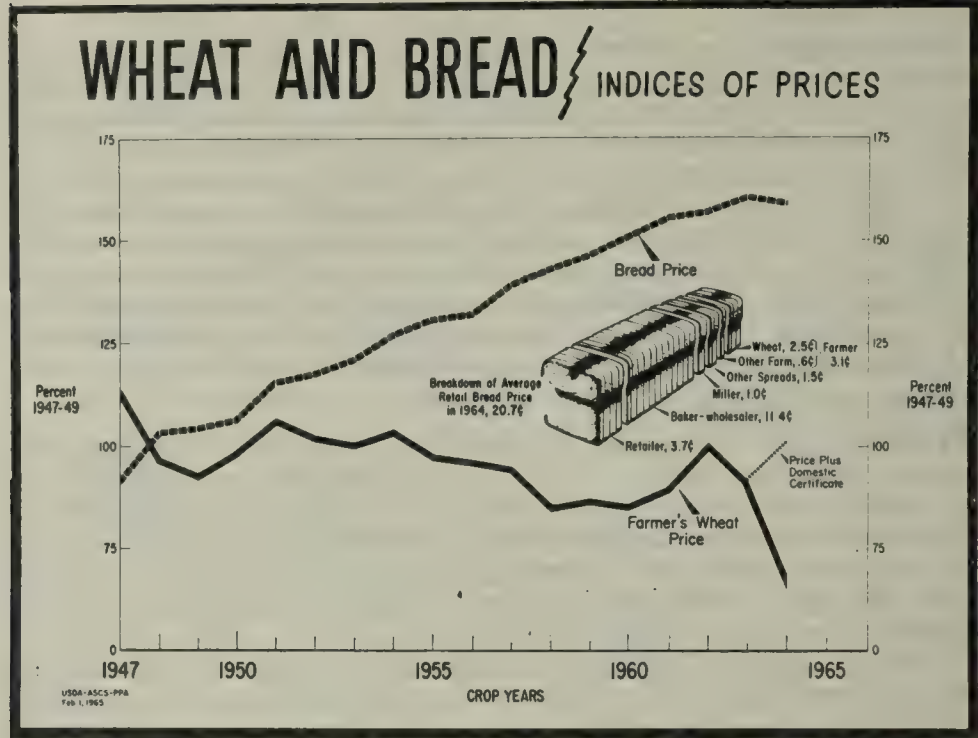
Predictions of bread price increases were made when the certificate program went into effect a year ago. These did not come about and bread prices are generally unchanged. On the other hand, wheat farmers who faced a sharp drop in income received returns from the 1964 crop as a result of the certificate program of about \$2.2 billion. Under the 1965 certificate program, farmers will receive a slightly higher income than in 1964.

With price support at \$2.50 per bushel, the increased value of the domestic certificate will increase the cost of wheat in a 1-pound loaf of bread about seven-tenths of a cent. If the increased cost of wheat is not absorbed by the industry and is passed on to the consumers and making an allowance for customary markups, the change in the retail price of a 1-pound load of bread should be less than 1 cent. Any increase in bread price of more than 1 cent per pound loaf cannot in any way be related to the wheat certificate program.

Bread prices for a 1-pound loaf of bread have been raised 8 cents since the 1947-49 average (12.7 cents)—a 63-percent increase. Not 1 cent of this increase has gone to the farmer. On the contrary, during this same period the farm value of the wheat in a loaf of bread has dropped from 2.7 to 2.5 cents.

In 1964 food expenditures accounted for 18.5 percent of disposable income, down from 18.9 percent the year before. Since incomes are expected to rise faster than food expenditures, a further small decline is expected in the proportion of income to be spent for food in 1965. The proposed 1966 certificate program for wheat will not change this trend, nor should it have an adverse effect on consumption of baked goods.

The following chart and table clearly show the declining part of the retail food cost of wheat products that the wheat farmer receives.



Bread, white—Retail prices, farm value, farmer's share of retail price, and season average price received by farmer, 1950-64

Year	Retail price per pound	Wheat ¹		Season average price received by farmers per bushel of wheat
		Farm value ¹	Farmer's share	
1947-49 average	Cents 12.7	Cents 2.7	Percent 21	Dollars 2.05
1950	13.5	2.5	19	2.00
1951	14.9	2.6	17	2.11
1952	15.1	2.6	17	2.09
1953	15.5	2.5	16	2.04
1954	16.3	2.7	17	2.12
1955	16.8	2.7	16	1.98
1956	17.1	2.6	15	1.97
1957	18.0	2.6	14	1.93
1958	18.5	2.3	13	1.75
1959	18.9	2.3	12	1.76
1960	19.5	2.3	12	1.74
1961	20.0	2.4	12	1.83
1962	20.3	2.6	13	2.04
1963	20.7	2.5	12	1.85
1964 ²	20.7	2.5	12	³ 1.37

¹ Payment of farmer for wheat, less estimated value of millfeed byproducts; 0.894 pound wheat, January 1950-June 1957; 0.882 pound July 1957-December 1963; 0.877 pound beginning with January 1964.

² Starting July 1964 the farm value and the farmer's share for white bread are based on the market price of wheat received by farmers plus 70 cents per bushel, the cost of the marketing certificate to millers and the value of the domestic marketing certificate received by farmers complying fully with the Federal wheat program.

³ Estimated; does not include value of certificate (\$0.70).

Program results

Farm income: Income from wheat including the value of the certificate and land diversion for the 1966 crop should be about \$150 million higher than the approximate \$2.2 billion for 1964 and 1965.

The increase in farm income will result in increase returns from domestic certificates totaling about \$250 million (500 million bushel

at 50 cents per bushel), offset in part if export certificates are not issued to producers. The Department has indicated that the use of the authority for export certificates would depend upon development and circumstances in world markets.

Program costs

The Department of Agriculture estimates that for the fiscal year 1967 total expenditures should be about \$125 to \$150 million below the total expenditures of about \$1.2 billion estimated for the current fiscal year.

The major portion of the expenditures for wheat are incurred under the food for peace program (Public Law 480). For fiscal year 1966 food for peace program costs are estimated to be \$1.1 billion (excluding ocean transportation cost).

These program costs and farm income assumed that no change will be made in CCC minimum sales prices. Costs would increase in event of higher resale prices on CCC stocks.

The resale price for Government-owned grains, particularly wheat which for unrestricted use is at 105 percent of the support loan rate, came in for considerable attention in the committee hearings and discussions. After lengthy and careful consideration, the committee decided against changing the basic provisions of the 1949 act, which have proved successful and workable. Higher resale minimums on CCC sales could bring about reduced farm income, greater supplies, and higher costs to the Government. Existing legislation has been successful and there was no clear case that changes would mean improvement.

Statistics

The following wheat table No. 1 on supply and distribution clearly shows the success in reducing the wheat surplus and in increasing exports.

Table No. 2 shows nearly 900,000 wheat producers signed up to participate in the 1965 wheat program with nearly 85 percent of the national wheat acreage allotment on farms signed up under this voluntary program.

Table No. 3 indicates the supply of wheat by classes. Supplies of Hard Red Winter, Hard Red Spring, and Durum wheats continue to exceed requirements. Soft Red Winter and Soft White wheats are not now excessive, but are adequate to meet domestic requirements, exports for dollars, and for Public Law 480 programs.

Wheat: Supply and distribution, and production factors, 1951 to date, crop years

Year beginning July 1	Supply (million bushels)			Utilization (million bushels)			Production factors		
	Beginning stocks	Production	Imports ¹	Total	Domestic		Exports ²	Total	Ending stocks
					Food	Seed and feed			
1951	400	988	32	1,420	496	192	688	1,164	256
1952	256	1,306	22	1,584	488	172	660	1,078	606
1953	606	1,172	6	1,784	487	146	633	850	934
1954	934	984	4	1,922	486	125	611	886	1,036
1955	1,036	937	10	1,983	482	122	604	950	1,033
1956	1,034	1,005	8	2,047	482	106	588	1,138	909
1957	909	1,956	11	1,876	486	105	591	1,094	882
1958	882	1,457	8	2,347	497	112	609	1,052	1,295
1959	1,295	1,121	7	2,423	497	103	600	1,110	1,313
1960	1,313	1,357	8	2,678	497	108	605	1,267	1,411
1961	1,411	1,235	6	2,652	500	110	610	1,330	1,322
1962	1,322	1,094	5	2,421	502	82	584	1,226	1,195
1963	1,195	1,142	4	2,341	533	47	580	1,440	901
1964 ³	901	1,290	2	2,193	510	128	638	1,373	820
1965 ³	820	1,354	2	2,176	---	---	---	---	---

¹ Imports include full duty wheat, wheat imported for feed, and dutiable flour and other wheat products in terms of wheat equivalent.

² Exports include flour wholly from U.S. wheat and other wheat products in terms of wheat equivalent.

³ All figures for distribution items for 1964 and 1965 are projected.

⁴ Based on July 1965 crop report, USDA.

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State	Enrolled farms	Effective allotment for all farms (acres)	Effective allotment for enrolled farms (acres)	Percent of effective allotment on enrolled farms	Intended diversion (acres)	Percent of effective allotment enrolled
Alabama.....	2,023	63,068	31,310	50	13,033	42
Arizona.....	389	38,986	23,757	61	6,387	27
Arkansas.....	2,062	140,256	39,810	28	7,268	18
California.....	2,195	382,237	289,985	76	66,549	23
Colorado.....	15,016	2,414,840	2,163,207	90	426,777	20
Connecticut.....	4	325	19	6	2	11
Delaware.....	493	26,947	13,905	52	1,937	14
Florida.....	533	18,829	12,403	66	3,341	27
Georgia.....	12,711	128,329	94,794	74	63,148	67
Idaho.....	14,987	1,117,765	969,516	87	137,546	14
Illinois.....	49,469	1,689,929	912,337	54	118,749	13
Indiana.....	43,986	1,302,366	666,130	51	115,981	17
Iowa.....	4,292	142,649	82,518	58	13,148	16
Kansas.....	112,564	9,957,071	9,311,074	94	1,223,460	13
Kentucky.....	7,630	215,479	112,049	52	36,284	32
Louisiana.....	624	40,244	30,206	75	7,337	23
Maine.....	12	205	119	58	43	36
Maryland.....	2,869	163,430	63,814	39	13,126	21
Massachusetts.....	6	196	62	32	22	35
Michigan.....	47,278	1,124,508	621,801	55	200,407	32
Minnesota.....	32,330	947,848	705,392	74	125,090	18
Mississippi.....	621	53,704	24,275	45	5,844	24
Missouri.....	62,778	1,578,349	1,038,129	66	250,073	24
Montana.....	16,888	3,662,698	3,382,441	92	421,496	12
Nebraska.....	62,471	2,976,125	2,778,882	93	365,378	13
Nevada.....	101	16,088	10,042	62	2,142	21
New Hampshire.....						
New Jersey.....	1,493	49,638	29,076	59	6,944	24
New Mexico.....	1,704	430,601	307,107	71	65,959	20
New York.....	17,842	313,897	220,139	70	96,871	44
North Carolina.....	41,470	408,230	258,685	63	163,879	63
North Dakota.....	62,776	6,809,819	6,377,487	94	1,064,151	17
Ohio.....	60,065	1,546,693	898,873	58	178,435	20
Oklahoma.....	54,227	4,599,373	4,186,075	91	606,150	14
Oregon.....	6,767	796,460	711,481	89	109,674	15
Pennsylvania.....	18,382	559,925	186,054	33	75,513	41
Rhode Island.....		116				
South Carolina.....	17,479	182,716	119,780	66	80,658	67
South Dakota.....	30,256	2,568,129	2,309,827	90	468,578	20
Tennessee.....	9,763	198,450	99,849	50	45,724	46
Texas.....	39,048	3,829,042	3,381,151	88	567,870	17
Utah.....	4,329	280,023	203,655	73	37,582	18
Vermont.....		470				
Virginia.....	16,212	280,400	150,376	54	67,822	45
Washington.....	9,126	1,862,348	1,714,714	92	203,003	12
West Virginia.....	1,089	29,570	10,491	35	4,032	38
Wisconsin.....	2,816	55,114	21,940	40	7,669	35
Wyoming.....	1,870	259,284	220,594	85	34,566	16
Total.....	891,046	53,262,769	44,785,271	84	7,509,648	17

TABLE 2.—Wheat: *Estimated supply and distribution by classes, United States, average 1957-61 and annual 1962-64*

[In millions of bushels]

Item	Hard Winter	Red Winter	Hard Spring	Durum	White	Total
Average 1957-61:						
Carryover, July 1.....	860	12	221	20	49	1,162
Production.....	687	179	171	27	161	1,225
Imports ¹			8			8
Supply.....	1,547	191	400	47	210	2,395
Exports ²	335	45	42	5	120	547
Domestic disappearance ³	264	131	139	24	45	603
Carryover, June 30.....	948	15	219	18	45	1,245
1962-63:						
Carryover, July 1, 1962.....	1,085	24	187	5	21	1,322
Production.....	537	157	175	70	155	1,094
Imports ¹			5			5
Supply.....	1,622	181	367	75	176	2,421
Exports ²	437	40	39	4	122	642
Domestic disappearance ³	249	136	133	25	41	584
Carryover, June 30, 1963.....	936	5	195	46	13	1,195
1963-64: ⁴						
Carryover, July 1, 1963.....	936	5	195	46	13	1,195
Production.....	545	219	161	51	166	1,142
Imports ¹			4			4
Supply.....	1,481	224	360	97	179	2,341
Exports ²	565	80	50	29	136	860
Domestic disappearance ³	248	140	128	27	37	580
Carryover, June 30, 1964.....	668	4	182	41	6	901
1964-65: ^{4,5}						
Carryover, July 1, 1964.....	668	4	182	41	6	901
Production.....	642	229	172	66	181	1,290
Imports ¹			4			4
Supply.....	1,310	233	358	107	187	2,195
Exports ²	469	75	24	7	110	685
Domestic disappearance ³	263	143	130	27	47	610
Carryover, June 30, 1965.....	578	15	204	73	30	900

¹ Exclude imports for milling-in-bond and export as flour.² Include exports for relief or charity by individuals and private agencies. Include relief shipments of bulgar beginning 1962-63.³ Wheat for food (including military food use at home and abroad), feed, seed, and industry. Include shipments to U.S. territories.⁴ Preliminary.⁵ Imports and distribution are projected.

NOTE.—Figures by classes in this table, except production, are only approximations. Data for 1964-65 crop year on the basis of 685,000,000 bushels exports.

SECTION-BY-SECTION ANALYSIS

Section 501.—This section contains 10 amendments to the Agricultural Adjustment Act of 1938, as amended.

Amendment (1) would amend section 332 to change one of the items making up the amount of the national marketing quota from the average amount of wheat which was used for livestock feed during 1959-60 to the amount of wheat which it is estimated will be used for livestock feed during the marketing year for which the quota is being determined, excluding the estimated amount of wheat used for such purposes as a result of wheat grown in lieu of feed grains under the substitution provision.

Amendment (1) would also suspend the proclamation of quotas on wheat for crops planted for harvest in the calendar years 1966 through 1969.

Amendment (2) would make the following changes in the provisions for computing the national acreage allotment. The national acreage allotment would be determined on the basis of the projected national yield instead of expected yields as under existing law. The acreage necessary to provide the increases in small farm allotments pursuant to section 335 would be added in the national acreage allotment rather than be established outside the national acreage allotment. This is a technical change to make this provision conform to the changes made by amendments (3) through (8) for computing allotments. The Secretary would be given discretionary authority under this amendment to adjust the national acreage allotment as necessary to assure adequate but not excessive stocks.

Amendments (3) through (8) would provide for the determination of State, county and farm allotments on the basis of the preceding year's allotment. This would preserve the increases given to farms with small allotments in 1964 and 1965 pursuant to section 335. In the future, such small farm allotments would be treated the same as other allotments. Amendment (3) provides among other things for a special wheat acreage reserve to be apportioned only to counties where wheat is "a major income-producing crop". Any county in which the income from wheat represents 50 percent or more of the total income from crops is regarded as a county in which wheat is a major income-producing crop. The so-called Anfuso amendment under which farmers who overplant their allotments lose history would not apply in any year in which there was a voluntary diversion or certificate program. In any year in which the so-called Anfuso amendment does apply and the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special crop-rotation practices such as summer-fallow, the Secretary may provide for modification in the reduction in order to provide fair and equitable treatment.

Amendment (9) would extend the diversion program for wheat for 4 years—1966 through 1969—with some changes. The limitation on the number of acres of additional voluntary diversion would be raised from 20 percent of the farm allotment to 50 percent of the allotment. (The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.)

Amendment (10) would authorize the Secretary to permit the diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

Section 502.—This section would extend the wheat marketing certificate program for 4 years—1966 through 1969. The amount of wheat included in the marketing allocation for food products for consumption in the United States would not be less than 500 million bushels. The cost of any domestic marketing certificates issued to producers in excess of the number of certificates acquired by processors as a result of the 500 million bushel minimum or an overestimate of the amount of wheat used during such year for food products for consumption in the United States would be borne by Commodity

Credit Corporation. The number of certificates received by each farm would be based on the projected farm yield rather than the normal yield.

Section 503.—This section would amend the provisions applicable to the 1970 and subsequent crops to provide that the number of certificates received by each farm shall be based on the projected farm yield rather than the normal yield.

Section 504.—This section would extend to other specified situations the authority of the Secretary to exempt wheat from the requirement that processors and exporters purchase wheat marketing certificates. This section would include certain provisions as to the acquisition of certificate by a food processor who ages beverage disilled spirits which he has manufactured from wheat. It would exempt a beverage distilled from wheat prior to July 1, 1964, and would provide that a beverage distilled by the processor after such date would be deemed to be removed from the plant for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond the payment for certificates could be deferred until the beverage is bottled for sale.

This section would amend the definition of "food products." The Department had recommended that there be exempted from certificate liability wheat used in the manufacture of products which are not for human consumption. The committee has limited the scope of the proposed exemption by exempting only flour clears not used for human consumption as determined by the Secretary. Flour clears is an additional product obtained when patent flour is produced from wheat and in some cases flour clears are further processed into additional products; namely, gluten and starch. The starch is used mainly for nonfood purposes and the gluten for food.

It is not the intention of the committee in adopting the amendment to the definition of food contained in section 379(d) of the act to bring about any substantial shift by industry in the use of agricultural commodities for nonfood products. The corn starch and wheat starch industry has developed over a period of many years on the basis of the relative prices of corn and wheat and it is the intention of the committee that, insofar as these industries are concerned, this legislation should not be the cause of any shift from one commodity to another.

If the committee finds that the amendment made by this bill is bringing about any such shift, it is the intention of the committee to designate a panel of competent persons to study and report on the situation and advise the committee as to steps which should be taken to reestablish the traditional balance between the use of these two commodities for nonfood purposes.

This section would also provide that whenever the value of domestic certificates for a marketing year differs from the value of domestic certificates for the preceding year, the Secretary may require certificates issued for the preceding marketing year to cover all wheat processed into food products during such year even though the food product may be marketed or removed for sale or consumption after the end of the year. The program is presently being operated on that basis and this provision is designed to make it clear that it may continue to be operated on that basis.

This section would authorize the Secretary to take action to facilitate the transition between marketing years whenever the face value per

bushel of domestic certificates for a marketing year is substantially different from the face value of domestic certificates for the preceding marketing year. This would include the authority to sell certificates to persons engaged in the processing of wheat into food products covering such quantities of wheat, at such prices and under such terms and conditions as he provides by regulation.

Section 505.—Amendment (1) would extend to the crops planted for harvest in the calendar years 1966 through 1969 the provision in the present program which eliminates the land-use penalty.

Amendment (2) would extend to the crops planted for harvest in the calendar years 1966 through 1969 the authority in the present program which authorizes producers who exceed their wheat allotments to store their excess wheat in accordance with regulations issued by the Secretary and be eligible for wheat marketing certificates.

Amendment (3) would extend to the crops planted for harvest in the calendar years 1966 through 1969 the provision in the present program which provides that minimum price for sales of wheat from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges.

Section 506.—This section would provide that price support for wheat with domestic certificates would be at 100 percent of parity price or as near thereto as practicable, but in no event less than \$2.50 per bushel. Price support for wheat with export certificates would be at such level, not more than parity, as the Secretary determines, and for noncertificate wheat would be on the basis of competitive world prices of wheat and the feeding value of wheat in relation to feed grains.

Section 507.—This section is a technical amendment to section 339(a) to make it conform to the amendments to the acreage allotment provisions in section 501.

Section 508.—This section would authorize the Secretary to provide for distributing the certificates among the producers on the farm on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the wheat crop. This would permit taking into account the respective contributions of each producer on the farm in reducing wheat. This section also would provide that an acreage on the farm not planted to wheat because of drought, flood, or other natural disaster would be deemed to be an actual acreage of wheat planted for harvest for purposes of computing the amount of wheat marketing certificates for the farm.

Section 509.—This section contains two amendments to section 301(b) of the Agricultural Adjustment Act of 1938, as amended.

Amendment (1) would amend paragraph (8) to add a new subparagraph (B) defining the term "projected national yield" as applied to any crop of wheat. The projected national yield would be determined on the basis of the national average yield of the commodity for the preceding 5 years, adjusted for abnormal weather conditions, for trends in yields, and for any significant changes in production practices. It would permit the determination of the national acreage allotment for wheat on the basis on a national yield more nearly equal to the national yield which could be expected in the year for which the allotment is determined.

Amendment (2) would add subparagraphs (J) and (K) to paragraph (13). These would define "projected county yield" and "projected farm yield" for any crop of wheat. The projected county yield would be determined on the basis of the yield per harvested acre for each of the immediately preceding 5 years, adjusted for abnormal weather conditions, trends in yields, and any significant changes in production practices. The projected farm yield would be determined on the basis of the yield per harvested acre for each of the immediately preceding 3 years, adjusted for the same factors as for the projected county yield, but in no event would such projected yield be less than the normal yield for the farm which would be established under existing law. The use of the projected yield would permit the determination of a farm yield of wheat more nearly equal to that expected in the year for which it would be used.

Section 510.—This section would amend the provisions of section 379c(b) relating to the storage of excess wheat to provide that, in computing the amount of wheat required to be stored, the projected farm yield shall be used in lieu of the normal yield. This section would also amend section 379i of the Agricultural Adjustment Act of 1938, as amended, relating to penalties for violations of the wheat marketing certificate program, to make it clear that the penalties are applicable only for violations committed knowingly.

Section 511.—This section contains two amendments. Amendment (a) would redefine "normal production" as applied to wheat contained in paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, so that, beginning in 1966, the projected farm yield would be used instead of the farm normal yield in the determination of the farm marketing quota and farm marketing excess.

Amendment (b) would amend paragraph (1) of Public Law 74, 77th Congress, relating to wheat marketing quotas, so that the projected farm yield would be used instead of farm normal yield in the determination of the farm marketing quota and farm marketing excess.

Section 512.—This section would authorize the Secretary, in establishing terms and conditions under which wheat could be planted in lieu of oats and rye, to take into account the number of feeding units per acre of wheat in relation to the number of feeding units per acre of oats and rye.

Section 513.—This section would authorize the Secretary to issue wheat marketing certificates to producers, with adjustments in the amount thereof, for performance rendered even though the producer failed to comply fully with the requirements of the program. This authority would also be applicable to crops planted for harvest in the calendar years 1964 and 1965.

TITLE VI—CROPLAND ADJUSTMENT PROGRAM

SUMMARY

This title would provide for long-term diversion of land, currently being used for the production of crops to protective conservation uses. This would be for the immediate and longtime benefit of all citizens. It would bring about economically desirable changes in land use as well as expand recreation resources and wildlife habitat, reduce stream siltation, increase reforestation, and improve the scenic state of the countryside.

Provisions are:

1. Contracts could be entered into with producers during the period 1965 through 1969. This would permit signups to start in the fall of 1965.

2. The period covered by any contract would be not less than 5 years nor more than 10 years.

3. In order to participate a farmer with an allotment or base of one of the crops designated by the Secretary would have to agree to place the entire acreage of one of these crops in the program.

4. Grazing or cutting hay would be prohibited except in the case of severe drought, flood, or other natural disaster and then only with appropriate reduction in rental payments.

5. For diverting cropland to approved uses, producers would receive cost-share assistance in establishing such uses as well as diversion payments.

6. The diversion payments could be made in annual payments, a lump sum, or in other installments.

7. The total acreage placed under contract in any county would be limited to a percentage of the total eligible acreage in such county so the economy of the county would not be adversely affected.

8. The Secretary would be authorized to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities and the prevention of air and water pollution, at costs not greater than those under agreements entered into with producers.

9. The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife and recreational resources and prevent air and water pollution, at costs consistent with those under agreements with producers.

10. No land could be brought into the program on which ownership has changed within the last 5 years except by will or succession.

11. The annual payment on retired land may be increased if the owner agrees to permit access to the land without charge by the general public for hunting, trapping, fishing, hiking, under applicable State and Federal regulations.

Changes from previous legislation

This legislation would fill a void in the effort to get a comprehensive shift of farm acreage from the production of crops to new uses to fill the land requirements of our changing economy.

It draws upon the experience of past programs and seeks to incorporate their best features. It would safeguard rural communities by limiting the amount of land in an area that could be retired under the program.

Need for legislation

This program would establish the basis for many now engaged in farming to improve their incomes by devoting their efforts to addi-

tional means for a livelihood. In so doing, it would take land out of crops whose production potential is in excess of current needs. It would provide an opportunity for elderly farmers to reduce their operation while continuing to live on their farms.

It would assist other farmers who can benefit from reducing their farming operations to take advantage of remunerative local employment and continue to get income from their farmland.

It would provide presently unobtainable financing to those farmers who want to shift from crop production to other endeavors.

It would provide for cooperation with Federal, State, and local agencies in permanently shifting cropland into public uses such as open spaces and parks for recreational areas.

Program results

If the acreage placed in the cropland adjustment program in the first year is 8 million acres, it is estimated by the Department that the average annual adjustment and cost share payment would be approximately \$141 million. This is approximately \$35 million less than the annual cost would be under the annual commodity programs for diverting a comparable acreage of surplus crops that would be retired under the long-term cropland adjustment program. If after 5 years the program is built up to about 40 million acres, it will reduce the dependence on annual programs and save up to \$200 million a year.

SECTION-BY-SECTION ANALYSIS

Section 601.—This section would repeal the Soil Bank Act, except that it would remain in effect for contracts entered into prior to such repeal.

Section 602.—This section would provide for a long-term cropland adjustment program.

Subsection (a) would provide that the Secretary, for the purpose of promoting the development and conservation of the Nation's soil, water, forest, wildlife, and recreational resources and establishing, protecting and conserving open spaces and natural beauty, would be authorized to enter into agreements during the calendar years 1965 through 1969 with producers for periods of not less than 5 nor more than 10 years. Agreements could not be entered into covering land with respect to which the ownership has changed in the 5-year period preceding the first year of the agreement period unless the new ownership was acquired by will or succession as a result of the death of the previous owner.

Subsection (b) would set forth the obligations of the producer. Producers would agree to divert from production all of one or more crops designated by the Secretary; to establish on acreage regularly used in the production of crops (designated acreage) and maintain thereon for the agreement period authorized practices and uses; to maintain in conserving crops or uses throughout the agreement period the acreage on the farm normally devoted to such crops or uses; not to harvest any crop from or pasture the designated acreage except in cases of natural disaster; and to other terms and conditions specified by the Secretary.

Subsection (c) would specify the obligations of the Secretary. The Secretary would agree to share the cost of establishing and maintaining authorized uses and practices on the designated acreage and to make

an annual adjustment payment to the producer for the period covered by the agreement. The rate or rates of the annual adjustment payment would be increased if the producer agreed to permit access to such acreage by the general public for hunting, trapping, fishing, and hiking, under cooperative agreement with State and local wildlife authorities. Authority would be given to the Secretary to make the annual adjustment payments for all years of the agreement upon approval of the agreement or in instalments with a 5-percent reduction for each year payment is made in advance of performance.

Subsection (d) would direct the Secretary to use advertising and bid procedures in determining the lands in any area to be covered by agreements unless he determines that such action will be inconsistent with the effective administration of the program. Subsection (d) would also provide that the total acreage placed under agreement in any county shall be limited to a percentage of the total eligible acreage in such county as the Secretary determines would not adversely affect the economy of the county.

Subsection (e) would provide that the annual adjustment payment shall not exceed 50 percent of the estimated value of crops which might otherwise be grown, such estimated value to be determined by the Secretary for a county, area, or individual farm on the basis of prices, including price support and other payments and benefits from Federal programs, in effect at the time the agreement is entered into.

Subsection (f) would provide that any agreement may be terminated by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest and that modifications of agreements may be authorized if desirable to carry out the program or facilitate its administration.

Subsection (g) would authorize the Secretary to provide for preservation of cropland, crop acreages and allotment history applicable to acreage diverted from the production of crops for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program.

Subsection (h) would direct the Secretary to utilize, in carrying out the program, the community, county, and State committees established under the Soil Conservation and Domestic Allotment Act.

Subsection (i) would permit the Secretary, for the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, if he determined that the purposes of the program would be accomplished by such action, to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution under terms and conditions consistent with and at costs not greater than those under agreements with producers.

Subsection (j) would authorize the Secretary, under the same conditions, to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife, and recreational resources and prevent air and water pollution.

Subsection (k) would authorize the Secretary to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under the pro-

gram, including payment of costs of administration. Subsection (k) would also authorize the appropriation of necessary sums to pay the Commodity Credit Corporation its actual costs.

Subsection (l) would authorize the Secretary to make payments as he determines to be fair and reasonable in the case of the death, incompetency, or disappearance of producers entitled to payments or successors who render or complete performance.

Subsection (m) would direct the Secretary to provide adequate safeguard to protect the interests of tenants and sharecroppers.

Subsection (n) would direct the Secretary to issue necessary regulations to carry out the program.

TITLE VII—MISCELLANEOUS

Section 701.—This section would amend section 374(a) of the Agricultural Adjustment Act of 1938, as amended, to provide authority in the case of wheat, cotton, rice, or any other commodity or land use program for which compliance is determined on an acreage basis to make acreage determinations by farm visits and measurement or for acceptance of a producer's certification as to acreage and land use on a farm in lieu of making a farm visit. The Secretary would be given discretionary authority to provide by regulation a reasonable time for adjustment of acreage to the requirements of the program or to provide that an adjustment would not be permitted.

Section 702.—This section would delete the first sentence of section 374(c) since the matter covered by the mandatory provisions of this sentence would be covered by the discretionary provisions of the proposed amendment to section 374(a) discussed in the analysis of section 701.

Section 703.—This section would extend through the crop year 1969 the provision authorizing the leasing of specified tobacco allotments. This section also would extend through 1969 the provision which prohibits the lease of a Maryland tobacco allotment unless at least 75 percent of the allotment for the farm was actually planted on such farm during each of the 2 immediately preceding years.

Section 704.—This section would amend the act of August 13, 1957, to make permanent the present definition of peanuts which exempts "boiled peanuts".

Section 705.—This section would direct the Secretary of Agriculture in cooperation with the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry to make a study of the parity income position of farmers, recommend a formula for determining parity income, and report thereon to the Congress not later than June 30, 1966.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

* * * * *

DEFINITIONS

SEC. 301. * * *

(b) * * *

(8)(A) "National average yield" as applied to cotton or wheat shall be the national average yield per acre of the commodity during the ten calendar years in the case of wheat, and during the five calendar years in the case of cotton, preceding the year in which such national average yield is used in any computation authorized in this title, adjusted for abnormal weather conditions and, in the case of wheat, but not in the case of cotton, for trends in yields.

(B) "*Projected national yield*" as applied to any crop of wheat shall be determined on the basis of the national yield per harvested acre of the commodity during each of the five calendar years immediately preceding the year in which such projected national yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

[(9) "Normal production" as applied to any number of acres of corn, cotton, rice, or wheat means the normal yield for the farm times such number of acres.]

(9) "*Normal production*" as applied to any number of acres of rice or cotton means the normal yield for the farm times such number of acres and for wheat means the projected farm yield times such number of acres.¹

* * * * *

(13) * * *

(J) "*Projected county yield*" for any crop of wheat shall be determined on the basis of the yield per harvested acre of such crop in the county during each of the five calendar years immediately preceding the year in which such projected county yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

(K) "*Projected farm yield*" for any crop of wheat shall be determined on the basis of the yield per harvested acre of such crop, on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (E) of this paragraph.

(L) "*Projected National, State, and county yields*" for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively,

¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

during each of the five calendar years immediately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

(M) "Projected farm yield" for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph.

* * * * *

SEC. 316. (a) Notwithstanding any other provision of this Act for the crop years [1962, 1963, 1964, and 1965,] 1962 through 1969 the owner and operator of any farm for which a tobacco acreage allotment (other than a Burley tobacco acreage allotment or a cigar-filler and cigar-binder (types 42, 43, 44, 53, 54, and 55) tobacco acreage allotment) is established may lease any part of such allotment to any other owner or operator of a farm in the same county for use in such county on a farm having a current tobacco allotment of the same kind. Such lease and transfer of allotment shall be recognized and considered valid by the county committee provided the conditions set forth in this section are met. In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of 1962 or 1963 allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961, nor shall a farm be eligible for lease of [1964 or 1965] a 1964 through 1969 Maryland tobacco allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted on such farm during each of the two immediately preceding years.

* * * * *

PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS

SEC. 332. (a) * * *

(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) [as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960] will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as

a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962;¹ less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

(d) *Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through 1969, and farm marketing quotas shall not be in effect for such crops of wheat.*¹

NATIONAL ACREAGE ALLOTMENT

SEC. 333. [Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year.] *The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings*

¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

(acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed. The Secretary may, in his discretion, adjust such national acreage allotment as he determines necessary to assure the maintenance of adequate but not excessive stocks in the United States.¹

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334. [(a) The national acreage allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period: *Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year: *Provided further*, That in establishing State acreage allotments, the acreage seeded for the production of wheat plus the acreage diverted for 1965 for any farm shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years ending with the calendar year in which the national acreage allotment is proclaimed. There shall also be made available, beginning with the 1965 crop, a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be used to make additional allotments to counties on the basis of the relative needs of counties, as deter-

¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

mined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (i.e., farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year.】

(a) *The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including for 1966 the increased acreage in the State allotted for 1965 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop-rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if*

¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

*an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustment hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year.*¹

[(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices: *Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing country acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year: *Provided further*, That in establishing county acreage allotments, the acreage seeded for the production of wheat plus the acreage diverted for 1965 for any farm shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year.]

(b) *The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1966 the increased acreage in the county allotted for 1965 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop-rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors.*¹

(c)(1) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat, tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 or 1965 shall be the base acreage determined for the farm under the regulations

¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

issued by the Secretary for determining 1958 or 1965 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 or 1965 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 or 1965 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year except 1965 shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1962 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum. In the event notices of farm acreage allotments for the 1962 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2), new notices showing the required reduction shall be mailed to farm operators as soon as practicable.

(3) *Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1966 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment.*

(4) *Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1966 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm and may be adjusted upward to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment: *Provided*, That (i) for purposes of computing the 1966 allotment for any farm not in compliance with its 1964 farm acreage allotment, the 1965 acreage allotment shall be reduced by 7 per centum; (ii) for the purposes of computing the allot-*

ment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; (iii) for purposes of clause (ii), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum; and (iv) for purposes of clauses (i) and (ii) if the Secretary determines that the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special crop-rotation practices, he may modify such reduction in the allotment as he determines to be necessary to provide fair and equitable treatment to such producers.¹

[(d) For the purposes of subsections (a), (b), and (c) of this section, any farm—

[(1) to which a wheat marketing quota is applicable; and

[(2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and

[(3) on which the marketing excess is zero

shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty. This subsection shall be applicable in establishing the acreage seeded and diverted and the past acreage of wheat for 1959 and subsequent years in the apportionment of allotments beginning with the 1961 crop of wheat. For the purpose of clause (1) of this subsection, a farm with respect to which an exemption has been granted under section 335(f) for any year shall not be regarded as a farm to which a wheat marketing quota is applicable for such year, even though such exemption should become null and void because of a violation of the conditions of the exemption.]¹

* * * * *

(g) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter except 1965 in excess of acreage allotments shall be considered in establishing future State and county acreage allotments [except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section].¹ The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any subsequent crop for which no farm wheat acreage allotment was established shall not make the farm eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be considered ineligible for an allotment as a new farm under the second sentence of such subsection.

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¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

SMALL FARM EXEMPTION

SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years 1959, 1960, and 1961, or such later three-year period, excluding 1963, determined by the Secretary to be representative, with adjustments for abnormal weather conditions; established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the three-year period 1959-1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74 Seventy-seventh Congress (7 U.S.C 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage or (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support, and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State, and county acreage allotments. *This section shall not be applicable to the crops planted for harvest in 1966 and subsequent years.*¹

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LAND USE

SEC. 339. (a)(1) [During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to

¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.】 *As a condition of eligibility for wheat marketing certificates with respect to any farm, the producers on such farm shall be required to divert from the production of wheat to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and to participate in any program formulated under subsection (b) to the extent prescribed by the Secretary. Such diversion factor shall be determined by dividing the number of acres by which the national acreage allotment (less an acreage equal to the increased acreage allotment for 1965 pursuant to section 335) is reduced below fifty-five million acres by the number of acres in the national acreage allotment (less an acreage equal to the increased acreage allotted for 1965 pursuant to section 335).²*

* * * * *

(b) The Secretary is authorized to formulate and carry out a program with respect to the [1964 and 1965 crops of wheat] *crops of wheat planted for harvest in the calendar years 1964 through 1969* under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate for wheat not accompanied by marketing certificates on the normal production of the acreage diverted taking into account the income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. Any producer who complies with his 1964 farm acreage allotment for wheat and with the other requirements of the program shall be eligible to receive payments under the program for the 1964 crop of wheat. The Secretary may permit producers on any farm to divert from the production of wheat

² Amendment (7) of section 202 of the Agricultural Act of 1964, 78 Stat. 179, approved April 11, 1964, amended subsection (a)(1) only effective with respect to the crops planted for harvest in 1964 and 1965. This bill, by amendment to the Agricultural Act of 1964, continues that amendment in effect with respect to the crops planted for harvest in the calendar years 1966 through 1969 and inserts the additional material in parentheses.

an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to [20 per centum of the farm acreage allotment] *50 per centum of the farm acreage allotment* for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to [fifteen acres] *twenty-five acres*.³ Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

* * * * *

(e) [The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.] *The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed to provide an adequate*

³ All amendments to section 339(b) effective beginning with the crop planted for harvest in the calendar year 1966.

*supply, is not likely to increase the cost of the price support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.*¹

* * * * *

ACREAGE ALLOTMENTS

SEC. 344. (m) * * *

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(2) Any part of any farm cotton acreage allotment on which cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of cotton, land, labor, equipment available for the production of cotton, crop rotation practices, and soil and other physical facilities affecting the production of cotton. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (e) of this section [.] *Provided, That for the 1966, 1967, 1968, and 1969 crops of upland cotton, no such released acreage shall be surrendered to the State committee.* Any allotment released under this provision shall be regarded for the purposes of establishing future allotments as having been planted on the farm and in the county where the release was made rather than on the farm and in the county to which the allotment was transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having cotton planted thereon during the three-year base period: *Provided, That notwithstanding any other provisions of law, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage released under this paragraph shall be credited to the State in determining future allotments. The provisions of this paragraph shall apply also to extra long staple cotton covered by section 347 of this Act.*

* * * * *

SEC. 344a. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which a cotton acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment (excluding that part of the allotment which the Secretary determines was apportioned to the farm from the national acreage reserve) to any other owner or operator of a farm for transfer to such farm; (2) may permit the owner

¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

of a farm to transfer all or any part of such allotment to any other farm owned by him.

(b) Transfers under this section shall be subject to the following conditions: (i) no allotment shall be transferred to a farm in another State or to a person for use in another State; (ii) no farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the county from which transfer is being made have voted in a referendum within three years of the date of such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity; (iii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder; (iv) no sale of a farm allotment shall be permitted if any sale of cotton allotment to the same farm has been made within the three immediately preceding crop years; (v) the total cotton allotment for any farm to which allotment is transferred shall not exceed 150 per centum of the average size of the farm acreage allotments for cotton in the State or one hundred acres, whichever is greater, and no transfer of a farm allotment hereunder shall result in a total of allotments for all commodities for the farm which exceeds 75 per centum of the farm cropland; (vi) no cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm from which the allotment (or part of an allotment) is sold for a period of five years following such sale, nor shall any cotton in excess of the remaining acreage allotment on the farm be planted on any farm from which the allotment (or part of an allotment) is leased during the period of such lease, and the producer on such farm shall so agree as a condition precedent to the Secretary's approval of any such sale or lease; and (vii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section.

(c) The transfer of an allotment shall have the effect of transferring also the acreage history, farm base, and marketing quota attributable to such allotment and if the transfer is made prior to the determination of the allotment for any year the transfer shall include the right of the owner or operator to have an allotment determined for the farm for such year: Provided, That in the case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred.

(d) The land in the farm from which the entire cotton allotment and acreage history have been transferred shall not be eligible for a new farm cotton allotment during the five years following the year in which such transfer is made.

(e) The transfer of a portion of a farm allotment which was established under minimum farm allotment provisions for cotton or which operates to bring the farm within the minimum farm allotment provision for cotton shall cause the minimum farm allotment or base to be reduced to an amount equal to the allotment remaining on the farm after such transfer.

(f) The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has

a substantially higher yield per acre and such other terms and conditions as he deems necessary.

(g) If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

(h) The Secretary shall by regulations authorize the exchange between farms in the same county, or between farms in adjoining counties within a State, of cotton acreage allotment for rice acreage allotment. Any such exchange shall be made on the basis of application filed with the county committee by the owners and operators of the farms, and the transfer of allotment between the farms shall include transfer of the related acreage history for the commodity. The exchange shall be acre for acre or on such other basis as the Secretary determines is fair and reasonable, taking into consideration the comparative productivity of the soil for the farms involved and other relevant factors. No farm from which the entire cotton or rice allotment has been transferred shall be eligible for an allotment of cotton or rice as a new farm within a period of five crop years after the date of such exchange.

(i) The provisions of this section relating to cotton shall apply only to upland cotton.

* * * * *

PENALTIES

SEC. 346. * * *

(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968, and 1969 crops of upland cotton, if the farm operator elects to forego price support for any such crop of cotton by planting in excess of the farm acreage allotment established under section 344 or planting cotton on a farm for which no allotment was established for such crop, all cotton of such crop produced on the farm may be marketed free of any penalty under this section. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county, and farm acreage allotments.

* * * * *

COTTON EQUALIZATION PAYMENTS

SEC. 348. In order to maintain and expand domestic consumption of upland cotton produced in the United States and to prevent discrimination against the domestic users of such cotton, notwithstanding any other provision of law, the Commodity Credit Corporation, under such rules and regulations as the Secretary may prescribe, is authorized and directed for the period beginning with the date of enactment of this section and ending July 31, 1966, to make payments through the issuance of payment-in-kind certificates to persons other than producers in such amounts and subject to such terms and conditions as the Secretary determines will eliminate inequities due to differences in the cost of raw cotton between domestic and foreign users of such cotton, including such payments as may be necessary to

make raw cotton in inventory on the date of enactment of this section available for consumption at prices consistent with the purposes of this section: *Provided*, That for the period beginning August 1 of the marketing year for the first crop for which price support is made available under section 103(b) of the Agriculture Act of 1949, as amended, and ending July 31, 1966, such payments shall be made in an amount which will make upland cotton produced in the United States available for domestic use at a price which is not in excess of the price at which such cotton is made available for export. *The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to the 1966 crop cotton.*

* * * * *

DOMESTIC ACREAGE ALLOTMENTS

SEC. 350. [In order to provide producers with a choice program of reduced acreage and higher price support, the Secretary shall establish for each farm for the 1964 and 1965 crops of upland cotton a farm domestic allotment in acres. The farm domestic allotment shall be the percentage which the national domestic allotment is of the national acreage allotment established under section 344(a) applied as a percentage of the smaller of (1) the farm acreage allotment established under section 344, or (2) the higher acreage actually planted or regarded as planted on the farm (excluding acreage regarded as planted under sections 344(m)(2) and 377) in the two years preceding the year for which such allotment is established: *Provided*, That any farm planting 10 per centum or more of the allotment shall, for the purpose of (2) above, be considered as having planted the entire farm allotment: *Provided further*, That, except for farms the acreage allotments of which are reduced under section 344(m), the farm domestic allotment shall not be less than the smaller of 15 acres or the farm acreage allotment established under section 344, but this proviso shall be applicable to the 1964 crop without regard to the exception stated herein. The national domestic acreage allotment for any crop shall be that acreage, based upon the national average yield per acre of cotton for the four years immediately preceding the calendar year in which the national acreage allotment is proclaimed, required to make available from such crop an amount of upland cotton equal to the estimated domestic consumption for the marketing year for such crop. The Secretary shall proclaim the national domestic acreage allotment for the 1964 crop not later than April 1, 1964, and for each subsequent crop not later than December 15 of the calendar year preceding the year in which the crop is to be produced.] *In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966, 1967, 1968, and 1969 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic*

acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield: *Provided, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced.*⁴

* * * * *

MEASUREMENT OF FARMS AND REPORT OF PLANTINGS

SEC. 374. **[(a)** The Secretary shall provide, through the county and local committees, for measuring farms on which corn, wheat, cotton, peanuts, or rice is produced and for ascertaining whether the acreage planted for any year to any such commodity is in excess of the farm acreage allotment for such commodity for the farm under this title. If in the case of any farm the acreage planted to any such commodity on the farm is in excess of the farm acreage allotment for such commodity for the farm, the committee shall file with the State committee a written report stating the total acreage on the farm in cultivation and the acreage planted to such commodity.**]** *(a) The Secretary shall provide for ascertaining, by measurement the acreage of peanuts and tobacco and by measurement or otherwise, the acreage of wheat, cotton, rice, or any other agricultural commodity or land use on farms for which the ascertainment of such acreage is necessary to determine compliance under any program administered by the Secretary. Insofar as practicable, the acreage of the commodity and land use shall be ascertained prior to harvest, and, if any acreage so ascertained is not in compliance with the requirements of the program, the Secretary, under such terms and conditions as he prescribes, may provide a reasonable time for the adjustment of the acreage of the commodity or land use to the requirements of the program.*

* * * * *

(c) **[(If the acreage determined to be planted to any basic agricultural commodity on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulations provide for a reasonable time prior to harvest within which such planted acreage may be adjusted to the farm acreage allotment.)]** The Secretary shall by appropriate regulations provide for the remeasurement upon request by the farm operator of the acreage planted to such commodity on the farm and for the measurement of the acreage planted to such commodity on the farm remaining after any adjustment of excess acreage hereunder and shall prescribe the conditions under which the farm operator shall be required to pay the county committee for the expense of the measurement of adjusted acreage or the expense of remeasurement after the initial measurement or the measurement of adjusted acreage. The regulations shall also provide for the refund of any deposit or payment made for the expense of the remeasurement of the initially determined acreage or the adjusted acreage when because of an error in the determination of such acreage the remeasurement brings the acreage within the allotment or permitted acreage

⁴ Effective with the 1966 crop.

or results in a change in acreage in excess of a reasonable variation normal to measurements of acreage of the commodity. Unless the requirements for measurement of adjusted acreage are met by the farm operator, the acreage prior to such adjustment as determined by the county committee shall be considered the acreage of the commodity on the farm in determining whether the applicable farm allotment has been exceeded.

* * * * *

WHEAT MARKETING ALLOCATION

[SEC. 379b. During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1964 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which in determining the national marketing quota for such marketing year he estimated would be used during such year for food products for consumption in the United States, and that portion of the amount of wheat which in determining such quota he estimated would be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the [normal yield of wheat for the farm as determined by the Secretary] *projected farm yield*,⁵ and multiplying the resulting number of bushels by the national allocation percentage. If a non-commercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.]

SEC. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 through 1969. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be (i) the amount of wheat he estimates will be used during such year for food products for consumption in the United States, but the amount of wheat included in the marketing allocation for food products for consumption in the United States shall not be less than five hundred million bushels, and (ii) that portion of the amount of wheat which he estimates will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage for such year which shall be the percentage which the national

⁵ This amendment effective beginning with the 1970 crop.

marketing allocation is of the amount of the national marketing quota for wheat that would be determined for such marketing year if a national marketing quota for such year had been proclaimed less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. The cost of any domestic marketing certificates issued to producers in excess of the number of certificates acquired by processors as a result of the application of the five hundred million bushel minimum or an overestimate of the amount of wheat used during such year for food products for consumption in the United States shall be borne by Commodity Credit Corporation. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage.⁶

MARKETING CERTIFICATES

SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year began multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored under section 379c(b) or to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or underproduction, and if this limitation operates to reduce the amount of wheat marketing certificates which would otherwise be issued with respect to the farm, such reduction shall be made first from the amount of export certificates which would otherwise be issued. [The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom.] *The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on a fair and equitable basis.* The Secretary shall, in accordance with such regulation as he may prescribe, provide for the issuance of domestic marketing certificates for the portion of the wheat marketing allocation representing wheat used for food products for consumption in the United States and for the issuance of export marketing certificates for the portion of the wheat marketing allocation used for exports. *An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection.⁷*

(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm

⁶ This amendment effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 through 1969, and the marketing years for such crops.

⁷ Section 379c(a) amended effective beginning with the crop planted for harvest in the calendar year 1966.

or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. *For purposes of this section, but not for purposes of diversion payments under subsection (b) of section 339, a producer shall be deemed not to have exceeded the farm acreage allotment for wheat if the acreage in excess of the farm acreage allotment does not exceed 50 per centum of the farm acreage allotment and the amount of wheat produced on the acreage in excess of the farm acreage allotment is stored in accordance with regulations issued by the Secretary. The amount of wheat required to be stored hereunder shall be an amount equal to twice the [normal yield of wheat per acre established for the farm] projected farm yield multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the amount of wheat required to be stored shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: Provided however, That the amount of wheat required to be stored shall not be larger than the amount by which the actual production so established exceeds the normal production of the farm wheat acreage allotment. At the time and to the extent of any depletion in the amount of wheat so stored, except depletion resulting from the release of wheat from storage on account of underplanting or underproduction, as provided below or depletion resulting from some cause beyond the control of the producer, the producer shall pay an amount to the Secretary equal to one and one-half times the value of the wheat marketing certificates issued with respect to the farm for the year in which the wheat on the acreage in excess of the allotment was produced. Whenever the planted acreage of the then current crop of wheat on the farm is less than the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or stored in order to avoid or postpone a marketing quota penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage, and whenever the actual production of the acreage of wheat is less than the normal production of the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or in order to avoid a marketing quota penalty shall be reduced by that*

*amount which together with the actual production of the then current crop will equal the normal production of the farm acreage allotment.*⁸

* * * * *

(e) *Notwithstanding any other provision of law, the amount of certificates issued with respect to any farm may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the program formulated under this subtitle.*⁹

MARKETING RESTRICTIONS

SEC. 379d. * * *

(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such food product or removing such food product for sale or consumption, acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in such product and (ii) all persons exporting wheat shall, prior to such export, acquire export marketing certificates equivalent to the number of bushels so exported. In order to expand international trade in wheat and wheat flour and promote equitable and stable prices therefor the Commodity Credit Corporation shall, upon the exportation from the United States of any wheat or wheat flour, make a refund to the exporter or allow him a credit against the amount payable by him for marketing certificates, in such amount as the Secretary determines will make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States. [The Secretary may exempt wheat exported for donation abroad and other noncommercial exports of wheat, and wheat processed for use on the farm where grown from the requirements of this subsection.] *The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other noncommercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond as prescribed by the Secretary, the purchase of and payment for such marketing certificates as may be required may be deferred until such beverage is bottled for sale. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port.*¹⁰

Marketing certificates shall be valid to cover only sales or removals for sale or consumption or exportations made during the marketing

⁸ Amendment (13) of section 202 of the Agricultural Act of 1964, 78 Stat. 180, approved April 11, 1964, made this amendment effective only with respect to the crop planted for harvest in the calendar year 1964. This bill, by amendment to the Agricultural Act of 1964, continues that amendment in effect with respect to the crops planted for harvest in the calendar years 1966 through 1969, except that the words "normal yield of wheat per acre established for the farm" in the fifth sentence of the subsection are deleted and the words "projected farm yield" substituted therefor effective beginning with the 1966 crop.

⁹ Effective beginning with the crop planted for harvest in the calendar year 1964.

¹⁰ Effective upon the enactment of this Act.

year with respect to which they are issued, and after being once used to cover a sale or removal for sale or consumption or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales, removals, or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales, removals, or exportations made on or after the date so determined by the Secretary. *Whenever the face value per bushel of domestic marketing certificates for a marketing year is different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary may require marketing certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such preceding marketing year even though the food product may be marketed or removed for sale or consumption after the end of the marketing year.*

* * * * *

(d) As used in this subtitle, the term "food products" means flour (*excluding flour clears not used for human consumption as determined by the Secretary*), semolina, farina, bulgar, beverage, and any other product composed wholly or partly of wheat which the Secretary may determine to be a food product.¹¹

* * * * *

AUTHORITY TO FACILITATE TRANSITION

SEC. 379g. (a) The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this subtitle. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation

(b) *Whenever the face value per bushel of domestic marketing certificates for a marketing year is substantially different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary is authorized to take such action as he determines necessary to facilitate the transition between marketing years. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to sell certificates to persons engaged in the processing of wheat into food products covering such quantities of wheat, at such prices, and under such terms and conditions as the Secretary may by regulation pro-*

¹¹ This amendment shall be effective on or after 60 days following enactment of this Act, unless the Secretary shall by regulation designate an earlier effective date within such 60-day period.

vide. Any such certificate shall be issued by Commodity Credit Corporation.

* * * * *

PENALTIES

SEC. 379i. (a) Any person who *knowingly* violates or attempts to violate or who *knowingly* participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

(b) Any person, except a producer in his capacity as a producer, who *knowingly* violates or attempts to violate or who *knowingly* participates or aids in the violation of any provision of this subtitle or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who *knowingly* fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$5,000 for each violation.¹²

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AGRICULTURAL MARKETING AGREEMENT ACT OF 1937, AS AMENDED

* * * * *

ORDERS

SEC. 8c. * * *

TERMS—MILK AND ITS PRODUCTS

(5) In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7)) no others:

(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payments shall be made for milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers.

(B) Providing:

(i) for the payment to all producers and associations of producers delivering milk to the same handler of uniform prices for all milk delivered by them: *Provided*, That, except in the case of orders covering milk products only, such pro-

¹² The word "knowingly" wherever it appears in subsections (a) and (b) is inserted effective as of the effective date of the original enactment of section 379i.

vision is approved or favored by at least three-fourths of the producers who, during a representative period determined by the Secretary of Agriculture, have been engaged in the production for market of milk covered in such order or by producers who, during such representative period, have produced at least three-fourths of the volume of such milk produced for market during such period; the approval required hereunder shall be separate and apart from any other approval or disapproval provided for by this section; or

(ii) for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered;

subject, in either case, only to adjustments for (a) volume, market, and production differentials customarily applied by the handlers subject to such order, (b) the grade or quality of the milk delivered, (c) the locations at which delivery of such milk is made, and [(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk during a representative period of time.]

(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers, and associations of producers, on the basis of their marketings of milk, which may be adjusted to reflect sales of such milk by any handler or by all handlers in any use classification or classifications, during a representative period of time which need not be limited to one year. In the event a producer holding a base allocated under this clause (d) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases. Allocations to producers under this clause (d) may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. Any increase in class one base resulting from enlarged or increased consumption and any producer class one bases forfeited or surrendered shall first be made available to new producers and to the alleviation of hardship and inequity among producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under (d) above shall not become effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.

* * * * *

(H) Marketing orders applicable to milk and its products may be limited in application to milk used for manufacturing.

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MILK PRICES

(18) The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such term is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain the parity prices of such commodities. The prices which it is declared to be the policy of Congress to establish in section 2 of this title shall, for the purposes of such agreement, order, or amendment, be adjusted to reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area *or, in the case of orders applying only to manufacturing milk, the production area* to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 8b or 8c, as the case may be, that the parity prices of such commodities are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area *or, in the case of orders applying only to manufacturing milk, the production area* to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices.¹³

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT,
AS AMENDED

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SEC. 16. * * *

(i) *Notwithstanding any other provision of law—*

(1) *For the 1966 through 1969 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, not in excess of 50 percentum of the estimated basic county support rate, including the lowest rate of payment-in-kind in effect. Not-*

¹³ The amendments in Title I shall not be effective after December 31, 1969.

withstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term "feed grains" means corn, grain sorghums, and, if designated by the Secretary, barley, and if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term "feed grains" shall include oats and rye: Provided, That acreages of corn, grain sorghums, and, if designated by the Secretary, barley, shall not be planted in lieu of acreages of oats and rye: Provided further, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (i) (1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection, barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(e) of the Agricul-

tural Act of 1949, who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(i).

(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

(5) Payments in kind shall be made through the issuance of negligible certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price made available through loans and purchases, plus reasonable carrying charges.

(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains.

AGRICULTURAL ACT OF 1949, AS AMENDED

* * * * *

SEC. 103. * * *

(d)(1) Notwithstanding any other provisions of this Act, if producers have not disapproved marketing quotas, price support shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans at such level, not exceeding 90 per centum of the estimated average world market price for Middling one-inch upland cotton at average location in the United States for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: Provided, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

(3) The Secretary also shall provide price support through payments in cash or in kind to cooperators who participate in a cotton acreage reduction program as provided in this subsection: Provided, That the total of the national average loan rate for any crop under paragraph (2) and the rate at which payments are made under this paragraph shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton. Such payments shall be made on the quantity of cotton determined by multiplying the acreage planted to cotton within the farm domestic acreage allotment by the projected farm yield: Provided, That any such farm planting not less than 90 per centum of such allotment shall be deemed to have planted the entire amount of such allotment.

(4) The Secretary shall provide price support payments in addition to the payments authorized in paragraph (3) to cooperators, other than cooperators on farms receiving reapportioned acreage under section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, who divert from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: Provided, That such diversion shall not exceed 35 per centum of the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended. Such payments shall be made on the quantity of cotton determined by multiplying the acreage planted to cotton within the farm domestic acreage allotment by the projected farm yield.

(5) The combined rates of the payments under paragraphs (3) and (4) for the 1966 crop shall be as follows:

(A) For farms on which the acreage planted to cotton does not exceed the farm domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance.

(6) Where the farm operator elects to participate in the acreage reduction program authorized in this subsection and no acreage is planted to cotton on the farm, price support payments shall be made at a rate equal to 50 per centum of the national average loan rate established under paragraph (2) on the quantity of cotton determined by multiplying 15 per centum of the farm acreage allotment by the projected farm yield, and

the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended. The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments and farm bases.

(7) Additional price support provided under this subsection by payments-in-kind shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem under regulations issued by the Secretary for cotton valued at not less than the loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

(8) Payments under this subsection with respect to any farm shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments under this subsection and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: Provided, That the Secretary may permit all or any part of such reduced acreage to be devoted to the production of guar, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under this subsection except under paragraph (6) shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m)(2) thereof.

(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis in price support under this subsection.

(11) Notwithstanding any other provision of this section, the amount of price support payments made with respect to any farm may be adjusted for failure to comply fully with the terms and conditions of the program formulated pursuant to this subsection.

(12) Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of combined price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing

of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

(Paragraph 13 amends section 408(b) of the Agricultural Act of 1949, as amended, and such amendment is shown below.)

(14) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended, (relating to assignment of payments) shall also apply to payments under this subsection.

* * * * *

SEC. 105. * * *

(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: Provided, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. In addition to price support provided under subsections (a) and (b) of this section, which shall be made available through loans and purchases, for any feed grain included in the acreage diversion program, a payment-in-kind may be made available to producers in such amount or amounts as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains, and to take into account the extent of participation by the producer. Such payments-in-kind shall be made on such part of the acreage of such feed grain planted on the farm for harvest as the Secretary determines desirable to effectuate the purposes of the program: Provided, That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price support program. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of feed grains planted for harvest for purposes of such payments. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and

purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on a fair and equitable basis. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. Notwithstanding any other provision of law, payments-in-kind under this subsection (e) and subsection (d) of this section may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the programs formulated under such subsections and section 16 of the Soil Conservation and Domestic Allotment Act, as amended.

* * * * *

PRICE SUPPORT FOR 1964 AND SUBSEQUENT YEARS (WHEAT)

[SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—

[(1) Price support for wheat accompanied by domestic certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

[(2) Price support for wheat accompanied by export certificates shall be at such level not more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

[(3) Price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

[(4) Price support shall be made available only to cooperators; and, if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area.

[(5) Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

[(6) A "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Ad-

justment Act of 1938, as amended, to the extent prescribed by the Secretary. Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, if marketing quotas are not in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored.】

SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1966 crop—

(1) Whenever a wheat marketing allocation program is in effect, (a) price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, but in no event less than \$2.50 per bushel, (b) price support for wheat accompanied by export certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines, and (c) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

(2) Whenever a wheat marketing allocation program is not in effect, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

(3) Price support shall be made available only to cooperators.

(4) A "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded a farm acreage allotment

*for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored.*¹⁴

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RESTRICTIONS ON SALES BY CCC

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended: *Provided further* That beginning August 1, 1964, the Commodity Credit Corporation may sell upland cotton for unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 103(a) plus reasonable carrying charges: [*Provided*, That if a wheat marketing allocation program is in effect, the current support-price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate.] *Provided further*, That is a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat not accompanied by marketing certificates.¹⁵ The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and con-

¹⁴ Effective beginning with the 1966 crop.

¹⁵ Section 204 of the Agricultural Act of 1964, 78 Stat. 183, approved April 11, 1964, made this amendment effective only with respect to the marketing years beginning in the calendar years 1964 and 1965. This bill, by amending the Agricultural Act of 1964, continues this amendment in effect only with respect to the marketing years beginning in the calendar years 1966 through 1969.

ditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States including the Virgin Islands declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855) and shall make feed owned or controlled by it available at any price not less than 75 per centum of the current basic county support rate for such feed including the value of any applicable price support payment in kind (or a comparable price if there is no current basic county support rate) for assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats, and their offspring, in any area of the United States including the Virgin Islands where, because of flood, drought, fire, hurricane, earthquake, storm, disease, insect infestation, or other catastrophe in such areas, the Secretary determines that an emergency exists which warrants such assistance, such feed to be made available only to persons who do not have, and are unable to obtain through normal channels of trade without undue financial hardship, sufficient feed for such livestock: *Provided*, That the Secretary may provide for the furnishing of feed or mixed feed, in accordance with regulations prescribed by him, to such persons by feed dealers under an arrangement whereby the feed grains (or other feed being sold by the Corporation) in the feed so furnished would be replaced with feed owned or controlled by the Corporation and sold to such persons at a price determined as provided above. Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State or other area. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities. For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form. Notwithstanding the foregoing, whenever prior to December 31, 1963, the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest. *Not-*

withstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly.

DEFINITIONS

SEC. 408. For the purposes of this Act—

* * * * *

COOPERATOR

(b) A "cooperator" with respect to any basic agricultural commodity shall be a producer on whose farm the acreage planted to the commodity does not exceed the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or in the case of price support for corn or wheat to a producer outside the commercial corn-producing or wheat-producing area, a producer who complies with conditions of eligibility prescribed by the Secretary [.] *Provided, That for the 1966, 1967, 1968, and 1969 crops of upland cotton a cooperator shall be a producer on whose farm the acreage planted to cotton does not exceed 85 per centum of such farm acreage allotment. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm acreage allotment unless such producer knowingly exceeded such allotment.*

* * * * *

NATIONAL WOOL ACT OF 1954

* * * * *

SEC. 703. The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. [Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending March 31, 1966.] *Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending December 31, 1969. The support price for shorn wool shall be at such incentive level as the Secretary, after consultation with the producer representatives, and after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this title: [Provided, That the support price for shorn wool shall not exceed 110 per centum*

of the parity price therefor.] *Provided, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor nor shall be lower than 77 per centum of the parity price therefor.* [If the support price so determined does not exceed 90 per centum of the parity price for shorn wool, the support price for shorn wool shall be at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred and sixty million pounds of shorn wool.] *If the support price so determined does not exceed 90 per centum of the parity price for shorn wool, the support price for shorn wool shall be at such level, not in excess of 90 per centum nor less than 77 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred and sixty million pounds of shorn wool.* The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shorn wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more than 15 per centum above or below the comparable percentage of parity at which shorn wool is supported. Notwithstanding the foregoing, no price support shall be made available, other than through payments, at a level in excess of 90 per centum of the parity price for the commodity. The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

[SOIL BANK ACT, AS AMENDED]

[SHORT TITLE]

[SEC. 101. This title may be cited as the "Soil Bank Act".]

[DECLARATION OF POLICY]

[SEC. 102. The Congress hereby finds that the production of excessive supplies of agricultural commodities depresses the prices and income of farm families; constitutes improper land use and brings about soil erosion, depletion of soil fertility, and too rapid release of water from lands where it falls, thereby adversely affecting the national welfare, impairing the productive facilities necessary for a continuous and stable supply of agricultural commodities, and endangering an adequate supply of water for agricultural and non-agricultural use; overtaxes the facilities of interstate and foreign transportation; congests terminal markets and handling and processing centers in the flow of commodities from producers to consumers; depresses prices in interstate and foreign commerce; disrupts the orderly marketing of commodities in such commerce; and otherwise affects, burdens, and obstructs interstate and foreign commerce. It is in the interest of the general welfare that the soil and water re-

sources of the Nation be not wasted and depleted in the production of such burdensome surpluses and that interstate and foreign commerce in agricultural commodities be protected from excessive supplies. It is hereby declared to be the policy of the Congress and the purposes of this title to protect and increase farm income, to protect the national soil, water, and forest and wildlife resources from waste and depletion, to protect interstate and foreign commerce from the burdens and obstructions which result from the utilization of farmland for the production of excessive supplies of agricultural commodities, and to provide for the conservation of such resources and an adequate, balanced, and orderly flow of such agricultural commodities in interstate and foreign commerce. To effectuate the policy of Congress and the purposes of this title programs are herein authorized to assist farmers to divert a portion of their cropland from the production of excessive supplies of agricultural commodities, and to carry out a program of soil, water, forest and wildlife conservation. The activities authorized under this title are supplementary to the acreage allotments and marketing quotas authorized under the Agricultural Adjustment Act of 1938, as amended, and together with such acreage allotments and marketing quotas, constitute an over-all program to prevent excessive supplies of agricultural commodities from burdening and obstructing interstate and foreign commerce.

[SUBTITLE A—ACREAGE RESERVE PROGRAM

[TERMS AND CONDITIONS

[SEC. 103. (a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized and directed to formulate and carry out an acreage reserve program for the 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn produced in the commercial corn-producing area, peanuts, rice, flue-cured tobacco, burley tobacco, Maryland tobacco, dark air-cured tobacco, fire-cured tobacco, Virginia sun-cured tobacco, cigar binder tobacco types 51, 52, 54, and 55, Ohio cigar filler tobacco types 42, 43, and 44, respectively (hereinafter referred to as "the commodity"), under which producers shall be compensated for reducing their acreages of the commodity below their farm acreage allotments or their farm base acreages, whichever may be applicable. To be eligible for such compensation the producer (1) shall reduce his acreage of the commodity below his farm acreage allotment or farm base acreage, whichever may be applicable, within such limits as the Secretary may prescribe, (2) shall specifically designate the acreage so withdrawn from the production of such commodity (hereinafter referred to as the "reserve acreage"), and (3) shall not harvest any crop from, or graze, the reserve acreage unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing. Reserve acreage of a commodity may include acreage whether or not planted to the production of the 1956 crop of the commodity prior to the announcement of the acreage reserve program for the 1956 crop if the crop thereon, if any, shall be plowed under or otherwise physically incorporated into the soil,

or clipped, mowed, or cut to prevent maturing so that the reduction in acreage of the commodity below the acreage allotment occurs not later than 21 days after the enactment of this title, or by such later date as may be fixed by the Secretary. The reserve acreage shall be in addition to any acreage devoted to the conservation reserve program authorized under subtitle B of this title. The acreage reserve program may include such terms and conditions, in addition to those specifically provided for herein, including provisions relating to control of noxious weeds on the reserve acreage, as the Secretary determines are desirable to effectuate the purposes of this title and to facilitate the practical administration of the acreage reserve program.

【Before any producer is entitled to receive any compensation for participating in the acreage reserve program, he must first enter into a contract with the Secretary, which contract, in addition to such other terms and conditions as may be prescribed by the Secretary, shall contain provisions by which such producer shall agree:

【(i) In the event that the Secretary determines that there has been a violation of the contract at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, to forfeit all rights to payments or grants under the contract, and to refund to the United States all payments and grants received by him thereunder: *Provided, however,* That the provisions of Section 107(d) shall apply to the termination of any contract hereunder.

【(ii) In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, to accept such payment adjustments, forfeit such benefits, and make such refunds to the United States of payments and benefits received by him, under the contract, as the Secretary may determine to be appropriate.

【(b) (1) There is hereby established for 1956 and for each year for which an acreage reserve program is in effect for corn a total base acreage of corn for the commercial corn-producing area proclaimed under section 327 of the Agricultural Adjustment Act of 1938, as amended, of fifty-one million acres. The total base acreage of corn for the commercial corn-producing area shall be apportioned by the Secretary among the counties in such area on the basis of the acreage of corn in such counties during the five calendar years immediately preceding the calendar year in which the apportionment is made (plus, in applicable years, the acreage diverted under previous agricultural adjustment, conservation, and soil bank programs), with adjustments for abnormal weather conditions, for trends in acreage during such period and for the promotion of soil-conservation practices: *Provided,* That any downward adjustment for the promotion of soil-conservation practices shall not exceed 2 percentum of the total base acreage that would otherwise be apportioned to the county. The base acreage for the county shall be apportioned by the Secretary, through the local committees, among the farms within the country on the basis of past acreage of corn (planted and diverted), tillable acreage crop-rotation practices, types of soil, and topography.

【(2) This subsection (b) shall become inoperative after 1956 if in the referendum conducted pursuant to section 308(b), producers do not vote in favor of the program provided in subsection (c) of such section.

[EXTENT OF PARTICIPATION IN PROGRAM]

[SEC. 104. For purposes of the acreage reserve program the Secretary shall establish a national reserve acreage goal for the 1956, 1957, 1958, and 1959 crops of each commodity specified in section 103(a). The limits within which individual farms may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program, taking into consideration their acreage allotments or farm base acreages, whichever may be applicable, the supply and demand conditions for different classes, grades, and qualities of the commodity, and such other factors as he deems appropriate.

[COMPENSATION OF PRODUCERS]

[SEC. 105. (a) Producers shall be compensated for participating in the acreage reserve program through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem in accordance with regulations prescribed by the Secretary (1) in cash upon presentation by the producer or by any holder in due course or (2) at the option of the producer in the case of certificates issued with respect to grains and upon presentation by him, in grains (such grains to be valued by the Secretary at such levels as he determines will not materially impair the market price for such grain yet will, to the maximum extent practicable encourage acceptance of payment in grains in lieu of cash): *Provided*, That disposition of quantities of stocks hereunder in any one year shall be limited to not more than two-thirds of such quantities of such commodities as the Secretary determines would be a reasonable estimate of what would have been produced for marketing during such marketing year on the acreage withheld from production under the provisions of this title: *And provided further*, That such stocks shall not be released prior to the end of the normal harvesting season for the particular commodity being released. Compensation under this section shall be at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for reducing their acreage of the commodity, taking into consideration the loss of production of the commodity on the reserve acreage, any savings in cost which result from not planting the commodity on the reserve acreage, and the incentive necessary to achieve the reserve acreage goal. The Secretary shall make an adjustment in yields for drought, flood, or other abnormal conditions in estimating the loss of production for purposes of establishing rates of compensation. The rates of payment offered under this section shall be such as to encourage producers to underplant their allotments more than one year. Commodities delivered to producers in redemption of such certificates shall not be eligible for tender to Commodity Credit Corporation under the price support program.

[(b) Compensation shall be paid to any producer for participating in the acreage reserve program for any year including 1956 when the Secretary has ascertained that such producer has complied with the acreage reduction requirements of such program for such year.

[(c) The total compensation paid producers for participating in the acreage reserve program with respect to any year's crops shall not exceed \$750,000,000, and with respect to any commodity for any year shall not exceed the amount shown below: Wheat, \$375,000,000; cotton, \$300,000,000; corn in the commercial corn-producing area, \$300,000,000; peanuts, \$7,000,000; rice, \$23,000,000; and tobacco, \$45,000,000. The total amount available for the acreage reserve program for any year's crops shall be apportioned among the various commodities on the basis of the amounts required to achieve the reserve acreage goal for each commodity established under section 104.

[(EFFECT ON ACREAGE ALLOTMENTS AND QUOTAS

[SEC. 106. (a) In the future establishment of State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended, or base acreages under this title, reserve acreages applicable to any commodity shall be credited to the State, county, and farm as though such acreage had actually been devoted to the production of the commodity.

[(b) In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and sections 326(b) and 356(g) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1326(b), 1356(g)), relating to reduction of the storage amounts of wheat and rice, the reserve acreage of the commodity on any farm shall be regarded as wheat acreage or rice acreage, as the case may be, on the farm.

[(SUBTITLE B—CONSERVATION RESERVE PROGRAM

[(TERMS AND CONDITIONS

[SEC. 107. (a) To effectuate the purposes of this title the Secretary is hereby authorized to enter into contracts for periods of not less than three years with producers determined by him to have control for the contract period of the farms covered by the contract wherein the producer shall agree:

[(1) To establish and maintain for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage).

[(2) To devote to conserving crops or uses, or allow to remain idle, throughout the contract period an acreage of the remaining land on the farm which is not less than the acreage normally devoted only to conserving crops or uses or normally allowed to remain idle on such remaining acreage.

[(3) Not to harvest any crop from the acreage established in protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals, and except that the Secretary may, with the approval of the contract signers, permit hay to be removed from such acreage if the Secretary, after certification by the Governor of the State in which such acreage

is situated of the need for removal of hay from such acreage, determines that it is necessary to permit removal of hay from such acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster.

[(4) Not to graze any acreage established in protective vegetative cover prior to January 1, 1959, or such later date as may be provided in the contract, except pursuant to the provisions of section 103(a) (3) hereof; and if such acreage is grazed at the end of such period, to graze such acreage during the remainder of the period covered by the contract in accordance with sound pasture management.

[(5) Not to adopt any practice, or divert lands on the farm from conservation, woods, grazing, or other use, to any use specified by the Secretary in the contract as a practice or use which would tend to defeat the purposes of the contract.

[(6) (A) In the event that the Secretary determines that there has been a violation of the contract (including the prohibition of grazing on conservation acreages) at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, to forfeit all rights to payments or grants under the contract, and to refund to the United States all payments and grants received by him thereunder.

[(B) In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, to accept such payment adjustments, forfeit such benefits, and make such refunds to the United States of payments and benefits received by him, under the contract, as the Secretary may determine to be appropriate.

[(7) To such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this title and to facilitate the practical administration of the conservation reserve program, including provisions relating to control of noxious weeds.

[(b) In return for such agreement by the producer the Secretary shall agree:

[(1) To bear such part of the cost (including labor) of establishing and maintaining vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area in which the farm is situated; and

[(2) To make an annual payment to the producer for the term of the contract upon determination that he has fulfilled the provisions of the contract entitling him to such payment. The rate or rates of the annual payment to be provided for in the contracts shall be established on such basis as the Secretary determines will provide producers with a fair and reasonable annual return on the land established in protective vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, taking into consideration the value of the land for the production of commodities customarily grown on such kind of land in the county or area, the prevailing rates for cash rentals for similar land in the county or area, the incentive necessary to obtain contracts covering sufficient acreage for the substantial accomplishment of the purposes of the conservation reserve program, and such other factors as he deems appropriate. Such rate

or rates may be determined on an individual farm basis, a county or area basis, or such other basis as the Secretary determines will facilitate the practical administration of the program.

[(c) In determining the lands in any area to be covered by contracts entered into under this section, the Secretary may use advertising and bid procedure if he determines that such action will contribute to the effective and equitable administration of the conservation reserve program.

[(d) A contract shall not be terminated under paragraph (6) of subsection (a) unless the nature of the violation is such as to defeat or substantially impair the purposes of the contract. Whenever the State committee believes that there has been a violation which would warrant termination of a contract, the producer shall be given written notice thereof by registered mail or certified mail or personal service, and the producer shall, if he requests such an opportunity within thirty days after the delivery or service of such notice, be given an opportunity to show cause, in an informal proceeding before the county committee under regulations promulgated by the Secretary, why the contract should not be terminated. If the producer does not request an opportunity to show cause why the contract should not be terminated within such thirty-day period, the determination of the State committee made in accordance with regulations of the Secretary shall be final and conclusive. If the producer within such thirty-day period requests an opportunity to show cause why the contract should not be terminated, the county committee, at the conclusion of the proceeding, shall submit a report, including its recommendations, to the State committee for determination, on the basis of such report and such other information as is available to the State committee, as to whether there has been a violation which would warrant termination of the contract. The producer shall be accorded the right, in accordance with regulations promulgated by the Secretary, to appear before the State committee in connection with the State committee's determination of the issue. The producer shall be given written notice by registered or certified mail or personal service of the State committee's determination. If the producer feels aggrieved by such determination, he may obtain judicial review of such determination by filing a complaint with the United States district court for the district in which the land covered by the contract is located, within ninety days after the delivery or service of notice of such determination, requesting the court to set aside such determination. Service of process in such action shall be made in accordance with the rule of service of process upon the United States prescribed by the Rules of Civil Procedure for the United States district courts. The copy of the summons and complaint required to be delivered to the officer or agency whose order is being attacked shall be sent to the chairman of the State committee. The action in the United States district court shall be a trial de novo to determine whether there has been a violation which would warrant termination of the contract. If the producer does not seek judicial review of the State committee's determination within the ninety-day period allowed therefor, the State committee's determination shall be final and conclusive. The terms "county committee" and "State committee" as used herein refer to the county and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

[CONSERVATION RESERVE GOAL

[SEC. 108. (a) The Secretary shall not later than February 1 of each year determine and announce the national conservation reserve goal for such year. Such goal shall be that percentage which the Secretary determines it is practicable to cover by contracts during such year of the number of acres, if any, by which (1) the acreage used for the production of agricultural commodities during the year preceding the year for which such determination is made, plus any acreage then in the acreage or conservation reserve program or retired from production as a result of acreage allotments or marketing quotas, exceeds (2) the acreage needed during the year for which such determination is made for the production of agricultural commodities for domestic consumption and export and an adequate allowance for carryover. As soon as practicable after the enactment of this title the Secretary shall determine the national conservation acreage goal for 1956.

[(b) In distributing the national acreage goal among the various States and major crop production regions, the Secretary shall give due regard to the respective needs of the various States and regions for flood control, drought control, and other conservation benefits; the desires of producers in particular States or regions to participate in the conservation program; the diversion of acreage from crops under acreage allotments or marketing quotas; and the need to assure adequate production of agricultural commodities and products not in surplus and to discourage the production of agricultural commodities and products in surplus.

[(c) The Secretary shall transmit to the Congress on or before March 15 of each year a report of the scope of the conservation reserve program for the preceding year and the basis for participation in such program in the various States and major crop production regions of the country.

[AUTHORIZED PERIOD OF CONTRACTS AND EXPENDITURES

[SEC. 109. (a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the five-year period 1956-1960 to be carried out during the period ending not later than December 31, 1969, except that contracts for the establishment of tree cover may continue until December 31, 1974.

[(b) The period covered by any contract shall not exceed ten years, except that contracts for the establishment of tree cover may extend for 15 years. (7 U.S.C. 1833(b).)

[(c) In carrying out the conservation reserve program, the Secretary shall not enter into contracts with producers which would require payments to producers, including the cost of materials and services, in excess of \$450,000,000 in any calendar year.

[TERMINATION AND MODIFICATION OF CONTRACTS

[SEC. 110. (a) The Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest.

[(b) The Secretary may agree to such modification of contracts previously entered into as he may determine to be desirable to carry

out the purposes of this title and to facilitate the practicable administration of the conservation reserve program.

[CONSERVATION MATERIALS AND SERVICES

[SEC. 111. (a) The Secretary may purchase or produce conservation materials and services and make such materials and services available to producers under the conservation reserve program to aid them in establishing vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, under contracts authorized by this subtitle B, may reimburse any Federal, State, or local government agency for conservation materials and services furnished by such agency, and may pay expenses necessary in making such materials and services available, including all or part of the cost incident to the delivery, application, or installation of materials and services.

[(b) Notwithstanding any other provision of law, in making conservation materials and services available to producers hereunder, the Secretary may make payments, in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or who render services to the Secretary in furnishing to producers approved conservation materials or services for the establishment by the producers of vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, under contracts authorized by this subtitle B. The price at which purchase orders for any conservation material or service are filled may be limited, if the Secretary determines that it is necessary in the interest of producers and the Government, to a fair price fixed in accordance with regulations prescribed by the Secretary.

[EFFECT ON OTHER PROGRAMS

[SEC. 112. Notwithstanding any other provision of law—

[(1) insofar as the acreage of cropland on any farm enters into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract heretofore or hereafter entered into under this subtitle by reason of any action taken for the purpose of carrying out such contract and, under regulations of the Secretary, shall not be decreased, for such period after the expiration of the contract as is equal to the period of the contract, by reason of the maintenance of any change in land use from cultivated cropland to permanent vegetation carried out under the contract;

[(2) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out any contract heretofore or hereafter entered into under this subtitle or in order to maintain, for such period after the expiration of the contract as is equal to the period of the contract, any change in land use from cultivated cropland to permanent vegetation carried out under the contract shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended.

【GEOGRAPHICAL APPLICABILITY

【SEC. 113. This subtitle B shall apply to the several States and, if the Secretary determines it to be in the national interest, to the Commonwealth of Puerto Rico, and the Virgin Islands; and as used in this subtitle B, the term "State" includes Puerto Rico and the Virgin Islands.

【SUBTITLE C—GENERAL PROVISIONS

【COMPLIANCE WITH ACREAGE ALLOTMENTS

【SEC. 114. No person shall be eligible for payments or compensation under this title with respect to any farm for any year in which (1) the acreage of any basic agricultural commodity other than wheat or corn on the farm exceeds the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or (2) in the case of a farm which is not exempted from marketing quota penalties under section 335(f) of the Agricultural Adjustment Act of 1938, as amended, the wheat acreage on the farm exceeds the larger of the farm wheat acreage allotment under such title or fifteen acres, or (3) the corn acreage on the farm, in the case of a farm in the commercial corn-producing area, exceeds the farm base acreage for corn or the farm acreage allotment, whichever is in effect. For the purpose of this section, a producer shall not be deemed to have exceeded his farm acreage allotment or farm base acreage, unless such producer knowingly exceeded such allotment or base acreage and, in the case of wheat, unless such producer knowingly exceeded the farm acreage allotment or fifteen acres, whichever is larger.

【Notwithstanding any other provision of this section—(1) no person shall be ineligible to receive payments or compensation under an acreage reserve contract for 1958 by reason of the fact that the corn acreage on the farm exceeds the farm acreage allotment for corn if the county in which such farm is located is included in the commercial corn producing area for the first time in 1958; (2) no person shall be ineligible to receive payments or compensation under an acreage reserve contract for any year subsequent to 1958 or a conservation reserve contract by reason of the fact that the corn acreage on the farm exceeds the farm acreage allotment for corn if such contract was entered into prior to January 1 of the first year for which the county is included in the commercial corn producing area: *Provided*, That the foregoing provisions of this sentence shall apply only to a farm for which an "old farm" corn allotment is established for such first year. For purposes of this provision, a contract which has been terminated by the producer under the program regulations by reason of the fact that the county in which the farm is located was included in the commercial corn-producing area for the first time in 1958, and which is reinstated, shall be deemed to have been entered into as of the original date of execution of such contract.

【REAPPORTIONMENT PROHIBITED

【SEC. 115. No acreage diverted from the production of any commodity subject to acreage allotments as a result of participation in the acreage reserve or conservation reserve programs shall be reapportioned or allotted to any other farm.

[CERTIFICATE OF CLAIMANT

[SEC. 116. Subject to the provisions of section 105(b), payment or compensation authorized by this title may be made upon the certificate of the claimant, in such form, as the Secretary may prescribe, that he has complied with all requirements for such payment and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief.

[UTILIZATION OF LOCAL AND STATE COMMITTEES

[SEC. 117. In administering this title in the continental United States, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

[UTILIZATION OF OTHER AGENCIES

[SEC. 118. With respect to conservation aspects of any program under this title, the Secretary shall consult with the soil-conservation districts, State foresters, State game and fish agencies, land-grant colleges, and other appropriate agencies of State governments, and with the Fish and Wildlife Service, in the formulation of program provisions at the State and county levels. The technical resources of the Soil Conservation Service, the Forest Service, the land-grant colleges, the State foresters, State game and fish agencies, the Fish and Wildlife Service, and other appropriate technical services shall be utilized, so far as practicable, to assure coordination of conservation activities and a solid technical foundation for the program.

[UTILIZATION OF LAND USE CAPABILITY DATA

[SEC. 119. In administering this title the Secretary shall utilize to the fullest practicable extent land use capability data, including capability surveys as developed by the Soil Conservation Service, and shall carry forward to completion as rapidly as possible the basic land inventory of the Nation.

[FINANCING

[SEC. 120. (a) The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this title, including payment of costs of administration for the programs authorized under this title: *Provided*, That the Secretary, shall prior to February 1, 1957, or such earlier date as may be practicable, submit to the Congress a full program of all operations under this title which will require the making of expenditures during the fiscal year ending June 30, 1958; and, after June 30, 1957, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this title unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this title. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title, including such amounts as may be required to make payments to the Corporation for its actual costs incurred or to be incurred under this section.

[(b) All funds available for carrying out the purposes of this title shall be available for transfer to such agencies of the Federal or State governments as the Secretary may request to cooperate or assist in carrying out this title; and for technical assistance in formulating and carrying out the programs authorized by this title. The Secretary may make such payments in advance of determination of performance.

[FINALITY OF DETERMINATIONS

[SEC. 121. The facts constituting the basis for any payment or compensation, or the amount thereof, authorized to be made under this title, when officially determined in conformity with applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any producer who is entitled to any payment or compensation dies, becomes incompetent, or disappears before receiving such payment or compensation, or is succeeded by another who renders or completes the required performance, the payment or compensation shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.

[PROTECTION OF TENANTS AND SHARECROPPERS

[SEC. 122. In the formulation and administration of programs under this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments or compensation under this title, and including such provision as may be necessary to prevent them from being forced off the farm. Applications to participate in any such program shall specify the basis on which the landlord, tenants, and sharecroppers are to share in such payments or compensation, and no contract under any such program shall be entered into unless such basis is approved by the county committee and incorporated into the contract. The standards prescribed by the Secretary for the guidance of county committees in determining whether any such basis shall be approved shall include the requirement that consideration be given to the respective contributions which would have been made by the landlord, tenants, and sharecroppers in the production of the crops which would have been produced on the acreage diverted from production under the contract and the basis on which they would have shared in such crops or the proceeds thereof.

[PENALTY FOR GRAZING OR HARVESTING

[SEC. 123. Any producer who knowingly and willfully grazes or harvests any crop from any acreage in violation of a contract entered into under section 103 or 107 shall be subject to a civil penalty equal to 50 per centum of the compensation payable for compliance with such contract for the year in which the violation occurs. Such penalty shall be in addition to any amount required to be forfeited or refunded under the provisions of such contract, and shall be recoverable in a civil suit brought in the name of the United States.

[REGULATIONS]

[SEC. 124. The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

[PRODUCTION ON GOVERNMENT LANDS PROHIBITED]

[SEC. 125. The President shall, with respect to farmlands now or hereafter owned by the Federal Government, restrict insofar as practicable the leasing of such lands for the production of price supported crops in surplus supply. Nothing contained in this section shall prevent the production of such crops on national wildlife refuges under cooperative permits where such production is necessary to maintain satisfactory wildlife populations, especially of waterfowl for beneficial use. The provisions of this section shall not be applicable with respect to the leasing of such farmlands to the former owners thereof.

[POOLING OF CONSERVATION RESERVE LAND]

[SEC. 126. Whenever management of family farms or optimum land use will be aided, the Secretary of Agriculture is authorized to permit farmers to pool their rights to participate jointly in the conservation reserve program on property other than their home farms.

[COMPENSATION FOR INCORRECT INFORMATION FURNISHED UNDER 1956 PROGRAM]

[SEC. 127. In any case under the 1956 program in which a producer, in reliance, in good faith, on incorrect or incomplete information furnished to him by an authorized representative of the Secretary, entered into an acreage reserve or conservation reserve contract, or took action with the intention of entering into such a contract, and the producer is not entitled to receive under the provisions of the program the payment which was stipulated in the contract, or which would have been stipulated if a contract had been entered into, the Secretary is hereby authorized, whenever he deems it desirable in order to provide fair and equitable treatment to such a producer, to compensate such producer for any loss suffered by him as a result of action taken for the purpose of participating in the program.

[EQUITABLE TREATMENT FOR PRODUCERS PARTICIPATING IN THE SOIL BANK PROGRAM ON THE BASIS OF INCORRECT INFORMATION FURNISHED BY THE GOVERNMENT]

[SEC. 128. Notwithstanding any other provision of law, the Secretary may, to the extent he deems it desirable in order to provide fair and equitable treatment, pay a producer compensation under the acreage reserve or conservation reserve program which he otherwise would not be entitled to receive because the contract, application therefor, action, or conduct of the producer is—

- [(1)** not in conformity with the provisions of the program, or
- [(2)** less favorable to the producer than would have been the case if it had been based on correct information, or
- [(3)** based on an understanding that payment would be forthcoming in an amount in excess of that permitted by the program

if it is established to the satisfaction of the Secretary that the contract, application, action, or conduct of the producer was the result of relying in good faith on the erroneous approval of such contract, application, action, or conduct by, or on the erroneous advice, determination, or computation of, an authorized representative of the Secretary. No contract heretofore or hereafter entered into shall be modified, invalidated, or changed because of the marriage of any two contracting parties.]¹⁶

ACT OF AUGUST 13, 1957, AS AMENDED

That section 359(c) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1359(c)), be amended to read as follows:

"(c) The word 'peanuts' for the purposes of this Act shall mean all peanuts produced, excluding any peanuts which it is established by the producer or otherwise, in accordance with regulations of the Secretary, were not picked or threshed either before or after marketing from the farm, or were marketed by the producer before drying or removal of moisture from such peanuts either by natural or artificial means for consumption exclusively as boiled peanuts."

[This amendment shall be effective for the 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, and 1965 crops of peanuts.]

PUBLIC LAW 74, 77TH CONGRESS

That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the [normal yield of wheat per acre established for the farm] *projected farm yield* multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any market-

¹⁶ Section 601 of the bill would repeal the Soil Bank Act, as amended, but the Act would remain in effect with respect to contracts entered into prior to repeal.

ing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

FOOD AND AGRICULTURE ACT OF 1962

* * * * *

SEC. 326. Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting [the requirements of subsections (c), (d), (g), and (h), of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, or of section 307 of the Food and Agriculture Act of 1962, section 339 of the Agricultural Act of 1938, as amended, or of section 124 of the Agricultural Act of 1961, and] *the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or payment may be made therefore in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.*

AGRICULTURAL ACT OF 1964

TITLE II—WHEAT

SEC. 202. * * *

(7) Section 339(a)(1) is amended, effective only with respect to the crops planted for harvest in [1964 and 1965] *the calendar years 1964 through 1969*, to read as follows:

“(a)(1) As a condition of eligibility for wheat marketing certificates with respect to any farm, the producers on such farm shall be required to divert from the production of wheat to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and to participate in any program formulated under subsection (b) to the extent prescribed by the Secretary. Such diversion factor shall be determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment.”

* * * * *

(13) Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective [only with respect to the crop planted for harvest in the calendar year 1965] *with respect to the crops planted for harvest in the calendar years 1965 through 1969*, by adding at the end thereof the following: “For purposes of this section, but not for purposes of diversion payments under subsection (b) of section 339, a producer shall be deemed not to have exceeded the farm acreage allotment for wheat if the acreage in excess of the farm acreage allotment does not exceed 50 per centum of the farm acreage allotment and the amount of wheat produced on the acreage in excess of the farm

acreage allotment is stored in accordance with regulations issued by the Secretary. The amount of wheat required to be stored hereunder shall be an amount equal to twice the normal yield of wheat per acre established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the amount of wheat required to be stored shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided however*, That the amount of wheat required to be stored shall not be larger than the amount by which the actual production so established exceeds the normal production of the farm wheat acreage allotment. At the time and to the extent of any depletion in the amount of wheat so stored, except depletion resulting from the release of wheat from storage on account of underplanting or underproduction, as provided below or depletion resulting from some cause beyond the control of the producer, the producer shall pay an amount to the Secretary equal to one and one-half times the value of the wheat marketing certificates issued with respect to the farm for the year in which the wheat on the acreage in excess of the allotment was produced. Whenever the planted acreage of the then current crop of wheat on the farm is less than the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or stored in order to avoid or postpone a marketing quota penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage, and whenever the actual production of the acreage of wheat is less than the normal production of the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or in order to avoid a marketing quota penalty shall be reduced by that amount which together with the actual production of the then current crop will equal the normal production of the farm acreage allotment."

* * * * *

SEC. 204. Section 407 of the Agricultural Act of 1949, as amended, is amended, effective only with respect to the marketing years beginning in the calendar years [1964 and 1965] *1964 through 1969*, and by striking the second proviso from the third sentence, and substituting: "*Provided further*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat not accompanied by marketing certificates."

MINORITY REPORT

While we find that there are certain provisions of H.R. 9811 which have merit and deserve general support, we feel that on the whole this bill in its present form will not move toward the sound solution of the problems of American agriculture. We have endeavored to perfect and amend this bill during its consideration in the committee, and we expect to continue to do so during its consideration in the House.

First of all, everyone should recognize that our present commodity programs are not meeting the needs of farmers, taxpayers, and consumers. A substantial improvement in these programs is required, but H.R. 9811 is neither a solution nor an effective attempt to move toward a solution.

We think that our price support and farm income problems can be dealt with more effectively, and in that effort we have consistently supported the concept of the creation of a bi-partisan blue-ribbon agricultural task force to study the farm problem and make long-range recommendations toward a sound solution to these problems.

This concept was endorsed by the President in his farm message of January 4, 1965, when he said:

"Accordingly, to assist in adapting our farm programs to the needs of tomorrow, and in making rural America a full partner in our national economic progress, I intend to conduct a fundamental examination of the entire agriculture policy of the United States. I will reorganize the National Agricultural Advisory Commission—which has made an invaluable contribution in years past—into a new Commission on Food and Fiber. It will be broadly representative of rural communities, consumers, producers, industry, Government, and the public. I expect it to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America."

* * * * *

H.R. 9811, however, calls for the extension of several of our most important commodity programs for a period of 4 years. Therefore, any recommendations of a bipartisan task force would be at least 4, and more probably, 5 years away from congressional enactment.

In the meantime, the programs extended by H.R. 9811 will be operating; and based on past experience, they will not be meeting our national needs in agriculture.

The current agricultural situation is an indication that the status quo is proposed to be continued by this legislation.

Ten years ago the farmer received 42 cents from every consumer food dollar—today he receives only 37 cents, less than in the depression days of 1935. Retail food prices have increased 29 percent in the past 16 years, while the net income of agriculture has gone down 29 percent. Yet, farm production and the number of consumers have risen.

Internal Revenue Service analysis of farm tax returns reveals that the number of farmers reporting a net loss increased from 29.8 percent in 1962 to 34 percent in 1963. Only 15.4 percent of the business and professional group showed a net loss for 1963.

Farm production expenses in 1947 averaged 57.6 percent of cash receipts from marketings. Production expenses last year were 80.1 percent and rising, a level almost as high as during the depression, when, in 1933, the figure was 80.9 percent and last month the index of prices paid by farmers reached an all-time high.

In addition, recent modest increases in realized net farm income have been more than offset by ever-increasing costs to the general taxpayer. Total Government payments to farmers in 1964 were, according to the February 1965 "Farm Income Situation," \$2,168, million, compared to \$1,686 million in 1963. In 1965, these payments are expected to reach \$2.5 billion. Yet, according to the April 1965 "Farm Income Situation," realized net farm income in 1964 was only \$12.6 billion, or about the same as it was in 1958 when it also was \$12.6 billion and Government payments were only a fraction of the present level.

The parity ratio, a Department of Agriculture index which weighs the prices a farmer receives against the costs of the things he buys, has dropped from 80 in 1960 to 75 in 1964, the lowest level since the depression days of 1934.

Federal expenditures for stabilization of farm prices and income have increased enormously in the past few years. For every dollar spent for this purpose in 1948, \$25 is being spent today. Expenditures in 1957 were \$1.6 billion for price supports—last year they were \$2.6 billion. During the last 3 years, the present administration spent more than twice as much as was spent for this purpose during the entire period from 1932 through 1941, the beginning of World War II.

Although the cost-price squeeze is forcing more and more farmers off the land, the cost of running the Department of Agriculture is not going down. Back in fiscal year 1933, for instance, there was 1 USDA employee for every 203 farms in the United States. In 1961, the ratio was 1 to 37. Today there is 1 USDA employee for every 32 farms.

In addition, farm debt (exclusive of CCC loans and guarantees) now stands at an all-time record of over \$36 billion. In way of comparison this represents an amount of money equal to the expenditures of the Federal administrative budget in 1948. At the same time the Commodity Credit Corporation investment in surplus farm crops, while down in grains, is up in cotton and stood at \$6.8 billion on May 31, 1965.

BRIEF HISTORY OF H.R. 9811

This bill consists of seven titles dealing with (1) dairy, (2) wool, (3) feed grains, (4) cotton, (5) wheat, (6) cropland adjustment, and (7) miscellaneous provisions of law.

MAJOR CHANGES IN ADMINISTRATION PROPOSAL

The Committee on Agriculture originally considered H.R. 7097, the administration's omnibus farm bill. In the course of subcommittee and full committee action the following major changes were made in the administration bill:

1. Cotton legislation was added.
2. Dairy legislation was added.
3. The administration's proposal to add a new rice certificate plan, quite similar in operation to the wheat program proposed in H.R. 9811, was deleted.
4. The time of the proposed programs was generally set at 4 years. The administration had generally sought 2-year extensions.
5. The administration's proposal to allow broad authority for selling, leasing, and transferring feed grain bases, sugar proportionate shares, and acreage allotments was limited in application to cotton, and in a more restricted manner, to tobacco.
6. The administration's proposal to allow soybeans to be planted on diverted feed grain acreage was deleted.
7. The value of domestic wheat certificates was set at not less than \$2.50 per bushel, and a minimum of 500 million bushels per year was set for the annual production on which the domestic certificates would be issued. The original administration bill had left both of these determinations to the discretion of the Secretary.
8. The administration's proposal to establish graduated wool payments and to eliminate the 300-million-pound annual domestic production goal for shorn wool were deleted. Also added by the committee was an increase in the minimum wool support level from 75 percent of parity to 77 percent of parity.
9. The committee added provisions (a) extending the lease and transfer authority for certain types of tobacco for 4 years, (b) extending the boiled peanut exemption on a permanent basis, (c) changing the measurement procedures for all allotment crops except tobacco and peanuts, and (d) directing an income parity study to be made by the Secretary in cooperation with the House and Senate Agriculture Committees.

MAJOR AMENDMENTS REJECTED BY COMMITTEE

The committee rejected several major amendments which included the following:

1. By an 18-to-17 vote to increase the Commodity Credit Corporation release price on unrestricted domestic sales of wheat from 105 percent of the loan level plus carrying charges to 110 percent of the loan level plus carrying charges.
2. By a 17-to-17 tie vote to finance the proposed 50-cent increase in domestic wheat certificates by Government payments from appropriated funds.
3. By a 21-to-10 vote to include the provisions of H.R. 7500, as amended, a bill to establish a \$200 million Suburban Land Corporation equally capitalized by the Federal Government and private investors to buy, manage, and sell farmland within 6 miles of cities of 50,000 or more inhabitants.
4. By a 19-to-14 vote to limit the application of the cropland adjustment program to farmland producing surplus crops only.
5. By a 15-to-8 vote to delete the provision in the dairy title allowing each dairy farmer an individual vote in a referendum on the adoption of the class I dairymen's base plan.

BRIEF SUMMARY OF H.R. 9811 AS REPORTED TO THE HOUSE

The major provisions of H.R. 9811 are as follows:

TITLE I—DAIRY

Establishes authority for adoption of the class I dairymen's base plan in any or all of the present 75 Federal milk marketing orders. Under this program dairy farmers would be assigned milk bases reflecting their class I sales during a past period of time. Compliance with this base would mean that the farmer would receive the class I price for all his production. If the class I base were exceeded, the excess production would be priced at lowest level applicable under the existing order. This whole plan would be subject to a producer referendum in which each individual dairy farmer would be eligible to vote. Special provisions are in the bill for new producers, the assignment of bases, the application of Federal orders to manufacturing milk, the status of producer-handlers, and the adoption of the class I plan as part of an existing order.

TITLE II—WOOL

Extends the National Wool Act of 1954 for 3 years and 9 months to December 31, 1969; retains the 300-million-pound domestic production goal; and sets a floor of 77 percent of parity on wool price supports.

TITLE III—FEED GRAINS

Extends without major change the present feed grain program for 4 more years. While soybeans could not be planted on diverted acres, authority to allow soybeans to be planted on permitted feed grain base acreage is provided in this title.

TITLE IV—COTTON

Extends for 4 years with a number of major modifications the present cotton program. These major changes include the following: (1) lowers price support loans to 90 percent of the world market average (except in 1966 when it will be 21 cents); (2) provides payments to cotton farmers agreeing to cut their present cotton allotments by at least 15 percent and as much as 35 percent—payments would consist of price support payment (9 cents per pound on domestic allotment) and diversion payment on acreage taken out of production (about \$55 per acre national average); (3) allows any farmer to stay out of the program, and plant and sell all the cotton he wishes without marketing quota penalty and without subsidy; (4) modifies current release and reapportionment provisions; (5) allows limited sales and leasing of cotton allotments, including sales of cotton allotments to the Secretary; (6) allows certain CCC sales of surplus cotton at the loan level; and (7) provides that if limitations on payments to producers are later adopted, a modified form of price support loans from 65 to 90 percent of parity would automatically "snap back" into operation.

TITLE V—WHEAT

Extends the present wheat certificate program for 4 more years; sets a minimum of 500 million bushels as being eligible for domestic certificates; increases the value of domestic wheat certificates by at least 50 cents (and possibly 57 cents if domestic support were set by the Secretary at 100 percent of the current parity price for wheat); gives Secretary discretion to discontinue export certificates; and sets loan level in relation to feed grain prices, world wheat prices, and feeding value of wheat in relation to feed grains.

TITLE VI—CROPLAND ADJUSTMENT

Establishes a long-range land retirement program similar to the conservation reserve of the Soil Bank Act. Like the conservation reserve, the cropland adjustment program would allow farmers to enter contracts for periods of time up to 10 years for the conversion of cropland into soil, water, forestry, and other conservation uses. Whole farms would be eligible for retirement under this program.

Unlike the conservation reserve program, the cropland adjustment program would allow accelerated rental payments to be made for the whole contract period in one or more installments; it would allow other governmental units to be partially reimbursed for the purchase price and conservation practices on farms acquired for public purposes near cities; and it would provide an extra bonus to farmers willing to provide free public access to their land for hunting, fishing, and trapping during the life of the contract.

This title does not contain any ceiling on the amount of funds which may be necessary to carry out its goal of retiring 8 million acres per year during each of the next 5 years after which the anticipated goal of 40 million acres would be reached.

TITLE VII—MISCELLANEOUS PROVISIONS

Sections 701 and 702—Allows compliance certifications by producers of all allotted crops (except tobacco and peanuts) for acreage measurements.

Section 703—Extends lease and transfer authority on certain tobacco acreage allotments for 4 more years.

Section 704—Extends permanently the marketing quota exemption for boiled peanuts.

Section 705—Directs a study of farm income parity to be made by the Secretary of Agriculture in cooperation with the House and Senate Agriculture Committees.

LEGAL EFFECT OF FAILURE TO ENACT H.R. 9811

If H.R. 9811 were not enacted into law during this session of Congress, several existing programs would expire. Some of the commodities affected by these programs would then be covered by existing provisions of law. In other cases there would be no authority for the continuation of these programs. Finally, H.R. 9811 proposes the establishment of some new programs.

The following table shows the various provisions of H.R. 9811, the type of a program proposed by this bill, the scheduled time of its expiration, and the major legal effects if not extended or enacted.

Table 1 on H.R. 9811

Provision of H.R. 9811	Type of proposed program	Scheduled time of expiration	Major legal effect if not extended or enacted
Title I—Dairy: "Class I Dairymen's Base Plan."	New, authorizes program for 4 years	None. Amends existing milk marketing order law.	Present provisions of Agricultural Marketing Agreement Act of 1937, as amended, continue in effect.
Title II—Wool	Extension for 3 years, 9 months through Dec. 31, 1969.	Mar. 31, 1966	National Wool Act of 1954, as amended, would expire.
Title III—Feed grains	Extension for 4 years (1966, 1967, 1968, and 1969 crops).	1965 crop	Permanent law provides for price supports on corn at 50 to 90 percent of parity at a level which Secretary determines "will not result in increasing CCC stocks of corn." Other feed grains would be supported in relation to corn.
Title IV—Cotton	Modified extension for 4 years (1966, 1967, 1968, and 1969 crops).	do	Permanent law provides for marketing quotas, farmer referendum, 16,000,000-acre national acreage allotment, and price supports at 65 to 90 percent of parity.
Title V—Wheat	Extension for 4 years (1966, 1967, 1968, and 1969 crops).	do	Permanent law provides for marketing quotas, farmer referendum, and price support through certificate system at 65 to 90 percent of parity. Farmer choice in referendum would be between mandatory certificate program and price supports to cooperators at 50 percent of parity (\$1.28 per bushel).
Title VI—Cropland adjustment	New. Allows farmers to enter into long-range land retirement contracts during the 5-year period 1965-69.	None	Present land retirement programs would continue. These include the cropland conversion, conservation reserve of soil bank, and Great Plains programs.
Title VII—Miscellaneous: Secs. 701 and 702	Compliance certification (change in method of measuring feed grain bases and acreage allotments for all crops except tobacco and peanuts).	do	Present provisions of law for acreage measurement would continue.
Sec. 703	Extension of authority for lease and transfer of certain tobacco acreage allotments for 4 years (1966, 1967, 1968, and 1969 crops).	1965	Permanent law does not provide authority for these leases and transfers.
Sec. 704	Permanent extension of boiled peanut exemption.	1965 crop	Permanent law does not provide an exemption from marketing quotas for boiled peanuts.
Sec. 705	New. Directs Secretary to make a study of income parity in cooperation with House and Senate Agriculture Committees.	None	None.

INCREASE IN CCC RELEASE PRICE ON WHEAT

Even though there is much to be said about the merits and demerits of H.R. 9811, we want to call attention to one specific problem which can and should be corrected by the adoption of an amendment.

We recognize that farm legislation is complex and confusing to many, and this is certainly true when the House is asked to act on an omnibus bill which contains provisions relating to cotton, wheat, feed grains, dairy, wool, and another section concerning cropland adjustment. We would address ourselves specifically to the wheat section and, to set the stage for a discussion of the amendment which will be proposed, set forth this amendment in full at this point:

AMENDMENT TO H.R. 9811

Page 43, line 16, insert the following and renumber the following sections accordingly:

SEC. 507. Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), is amended by changing the period at the end of the fourth sentence to a colon and adding the following: "*Provided*, That notwithstanding any other provision of law, the Commodity Credit Corporation shall not make any sales including sales in redemption of payment in kind certificates (except sales offset by equivalent purchases) of wheat at less than 115 per centum of the current support price for such commodity, plus reasonable carrying charges."

It is seldom that major farm organizations agree on farm policy, but such diverse groups as the National Farmers Union, American Farm Bureau Federation, Farmers Grain Terminal Association, the National Grain Trade Council, the National Grain and Feed Dealers Association, the National Federation of Grain Cooperatives, and the National Association of Wheat Growers all support some increase in the resale formula of commodity stocks to protect farmers against Government competition. We would point out that when this amendment was considered by the Wheat Subcommittee, it was defeated on a 6-to-5 vote. An amendment to raise the resale price to 110 percent of the support price plus reasonable carrying charges was defeated by a margin of only one vote in the full committee. The closeness of these votes indicates there is wide support for such an amendment and clearly illustrates the support is bipartisan.

THE PRESIDENT SPEAKS

The President in his farm message of February 4 made two statements which tend to support our position. First of all, he stated:

Our objective must be for the farmer to get improved farm income out of the marketplace, with less cost to the Government.

In a subsequent paragraph, the President stated:

To do this, I am asking the Secretary of Agriculture to so utilize the Commodity Credit Corporation as to make the free market system work more effectively for the farmer. We must encourage the private segment of our economy to carry

its own inventories, bought from farmers, rather than depending on the Government as a source of supply. We must urge the private sector to perform as many services as possible now performed by Government agencies.

One would think that with these statements, the Secretary of Agriculture would actively support efforts to revise the resale formula; but for some reason, Secretary Freeman has adopted an arbitrary negative position. The Secretary testified before the committee on April 6 of this year that the CCC has dumped some 500 million bushels of wheat and 30 million tons of feed grains on the market and that this tends to "keep prices below supports—to make the program effective." To the amazement of nearly everyone on the Agriculture Committee, Mr. Freeman further testified:

We must not yield to the temptation to make prices so high the programs become unworkable.

It is clear Secretary Freeman has been using section 407 as a club to force compliance in what he calls a "voluntary" program. He admitted as much in his testimony before our committee, April 6, when he stated:

Finally, there has been strong interest in requiring by law a higher minimum price for sales of CCC grain stocks in the open market. A number of bills before the Congress would raise the minimum from 105 percent of the loan rate to a range of 115 to 125 percent. The USDA shares the stated objectives of these proposals—that is, to strengthen prices, to make maximum use of market forces in guiding production and of private marketing facilities in handling commodities, and to minimize CCC activities in marketing commodities. However, in addition to its concern with the effective functioning of the free market, the USDA has the responsibility of operating the feed grain and wheat programs as effectively as possible for the producer at a minimum cost to the taxpayer. This can't be done if we are required to hold stocks from the market to obtain prices so far above loan levels that *we can't get farmers into the program.* [Emphasis added.]

In a somewhat contradictory statement in response to a question asked on the same date, Secretary Freeman agreed that the differential between the "market price and the certificate system" was so great that there was a "healthy" compliance in the wheat program. The question and his response follow:

Mr. DOLE. I notice that on page 13 of your statement you refer to the voluntary wheat program. And then on page 18 you refer to keeping the wheat price low, and I quote, "We can't get farmers into the program." Would that not be in conflict when we talk about a voluntary wheat program and also talk about keeping the price low more or less to force them into the program?

Secretary FREEMAN. Actually, that referred more to feed grains than to wheat. If the costs are too high, you, in effect, bid against yourself. We do not face this problem the same way in wheat because the differential between the market

price and the certificate system and the support price is so great that there is healthy compliance with the program. No one has to participate in the program but there is a strong inducement.

Mr. DOLE. It does mention both wheat and feed grains in the same paragraph on page 18.

Secretary FREEMAN. They are tied together, as you know, because of substitution. The point I was making concerned the minimum sales price for CCC grain stocks, and I said that we can't operate an effective program at a minimum cost to the taxpayer if we are required to hold stocks from the market to obtain prices so far above loan levels that *we can't get farmers into the program.* [Emphasis added.]

Section 407 of the Agricultural Act of 1949, as amended, specifies that in selling commodities for unrestricted use in the domestic market the sales price of the Government should not be less than 105 percent of the current support price plus reasonable carrying charges for storage, handling, etc. It is clear the USDA is not required to sell for unrestricted use at the 105 percent level, and it has been pointed out by many experts that the CCC could advance with market beyond 105 percent. Rather than do this, the CCC policy has been to sell commodity stocks at 105 percent and thus, without question, depress the market prices and literally deprive the farmer of additional income.

The formula worked reasonably well when the price supports for wheat were in the 75 to 90 percent of parity range, but under the wheat certificate plan, sales at 105 percent of the support price of \$1.25 per bushel, national average, permit only a 6.25-cent range per bushel. If the resale price for wheat was 115 percent as outlined in our amendment, there would be added to the range 12.5 cents or a total of 18.75 cents. This would have the wholesome effect of removing the strait-jacket from the marketing system. It would not, as some people claim, including the Secretary, wreck the certificate program. It is the Secretary's attitude that if the resale formula is raised at all, wheat producers will not sign up for the program; but one only need to understand the benefits made available to cooperators to recognize the complete folly of such reasoning. Under provisions of H.R. 9811, cooperators will receive domestic certificates covering their share of the domestically used wheat, (about 45 percent of the production), valued at \$1.25 per bushel. Cooperators will receive diversion payments based on 50 percent of the loan rate times their projected yield, or an average of somewhere between \$12.50 and \$25 per acre, depending on yield. In addition, cooperators are eligible for payments on farm-stored grain, enjoy certain "crop insurance" type protection, and are able to build up their soil fertility through the diversion program. It is beyond belief then that by simply raising the resale formula to 115 percent of the current support price, plus reasonable carrying charges, a wheat farmer will forgo all these benefits in hopes that he might receive as much as 1.43 $\frac{3}{4}$ cents per bushel, national average, on the wheat he produces if he does not participate in the program. Actually by raising the resale formula, both cooperators and non-cooperators benefit, and this should be a matter of primary concern, particularly in view of all the conversation about assisting the farmer emanating from the Secretary's office. The Secretary seems more interested in the percentage of farmers who sign up for a program since

1963 when wheat producers resoundingly defeated a mandatory program designed by Secretary Freeman. Is Secretary Freeman concerned about the welfare of the farmer, or is he still "smarting" from the rejection of his mandatory program? The increased income to all wheat producers, which could result from increasing the resale formula, would be accomplished without additional cost to the Government.

The fundamental purpose of the Commodity Credit Corporation, " * * * of stabilizing, supporting, and protecting the farm income and prices * * *," as expressed by Congress in 1948, has been subordinated and overshadowed by an objective which is clearly contrary to the intent of Congress and the American people and is detrimental to the best interests of the farmer, taxpayer, and consumer. The results of raising the minimum resale price, and these are not all inclusive, would be:

1. Raise net returns to wheat producers by approximately 10 cents per bushel—on an average.

2. Substantial savings to the Government by greatly reducing transportation costs and elevator in-and-out charges which now accrue as a result of selling farm products with one hand and buying equivalent amounts through the storage loan program. As a result, this could provide a greater return to the taxpayer on his investment in surplus grains now owned by the Government.

3. The farmer would receive his increased income in the marketplace and not through a direct Government payment. This would result in less cost to the Treasury.

4. Tighter restrictions on CCC sales would give farmer-owned cooperatives and the private grain trade an increased opportunity to carry out their historic function as the buyers and merchandisers of the output from American farms. There would be added incentive for all segments of the trade to carry larger inventories of farm commodities, thereby reducing the Government's enormous storage costs. As an example of decreased activity in private grain market operations, USDA's Commodity Exchange Authority reports trading in wheat during the first 9 months of the 1964-65 crop year fell 41.3 percent below the figure for the same period a year earlier.

RAISING RESALE FORMULA WILL NOT "LOCK UP" CCC-OWNED WHEAT

There have been a number of arguments advanced in opposition to raising the resale formula, and one often used is that any increase in the resale formula would, in effect, freeze the present surplus stocks at Commodity Credit Corporation. It is well to again emphasize that the amendment we propose and support will apply only to sales for unrestricted use, and the Commodity Credit Corporation would still be selling grain; redeeming PIK certificates for exports at the market price. Grain donated or barter grain would also come out of the Commodity Credit Corporation stocks without prohibition and then, in addition, deteriorated grain can be disposed of by Commodity Credit Corporation notwithstanding any provision of section 407. At the present time Commodity Credit Corporation is supplying about 35 percent of all wheat moving abroad, and there is no reason to believe that this will change significantly in the years ahead.

One of the most overlooked items in the current controversy over increasing the price at which the Commodity Credit Corporation may sell wheat for "unrestricted" use is the fact that for years now this agency has been able to unload vast amounts for export under a multiplicity of programs exempt from this provision of law on which it has "the exclusive" to be the sole supplier.

These programs include barter, donations abroad, payment-in-kind, and, optionally, sales financed by CCC's credit program at interest rates varying from 4½ to 5 percent.

Since the 1959-60 marketing year, analysis of official USDA data discloses that the Commodity Credit Corporation has annually supplied exclusively from its stocks 35 percent of the average annual exports of wheat (grain only).

Of these average annual exports between 1959 and the last marketing year just ended June 30, amounting to 585 million bushels, this Government-owned Corporation has supplied 204 million bushels at so-called market prices not bound to the existing 105 percent resale price formula.

Any change in the resale formula will not alter these operations one iota. To say it will result in a "locking up" of CCC-owned wheat ignores the realities of these programs and their past performance.

The data

The following data shows total wheat exports (grain only), amounts furnished exclusively from CCC stocks under programs not governed by application of the resale price formula (rather, at "market prices as determined by CCC") for the marketing years 1959-60 through 1964-65:

July-June	"Free" stocks	CCC dispositions for export	Total	Percent supplied by CCC
	<i>Thousands of bushels</i>	<i>Thousands of bushels</i>	<i>Thousands of bushels</i>	
1959-60.....	289, 150	129, 209	418, 359	31
1960-61.....	354, 212	206, 970	561, 182	37
1961-62.....	426, 434	181, 645	608, 079	30
1962-63.....	346, 543	188, 273	534, 816	35
1963-64.....	490, 973	263, 698	754, 671	35
1964-65.....	379, 968	254, 281	634, 249	40
1959-60, 1964-65 average.....	381, 200	204, 000	585, 200	35

Source: Grain Market News, USDA, various issues.

WHAT FARM LEADERS SAY

At the outset we mentioned the fact there was strong support from many farm groups and associations to increase the resale formula. We have reviewed the statements made before our committee and include brief excerpts herein so that you may be assured the wide support we made reference to does exist.

On March 24, Charles B. Shuman, president of the American Farm Bureau Federation, in discussing the current wheat program said:

Government manipulation of prices impairs the market system and can ultimately destroy it. A policy of maintaining a ceiling on wheat prices enables the milling industry to shift the costs of carrying inventories to the Government. It will hurt cooperators as well as noncooperators in adverse

growing seasons when producers need higher prices to offset the effects of reduced putout.

In another communication to the committee on April 23, 1965, the Farm Bureau president stated:

The present punitive price policy also has the following undesirable effects: (1) heavy sales by CCC keep the price structure so close to the loan that it forces current production under the loan program. The grain is then acquired by the CCC. Thus CCC acquires far more grain than it would if normal competitive forces were permitted to function. This is costly to the farmer and the taxpayer.

(2) CCC sells wheat directly to the processors, thereby reducing the demand in the free market. It enables the milling industry and others to shift the cost of carrying inventory to the Government.

On April 27, Robert L. Searles, president, Minneapolis Grain Exchange and chairman of the National Grain Trade Council, appeared before our committee in support of raising the resale formula. In answer to a question of whether or not increasing the formula would add additional cost to the Government, Mr. Searles responded:

One aspect of this is that if you raise the resale minimum you are going to cut down on the volume of the grain handled by the Commodity Credit Corporation. You will get this effect of only having a net in and a net out, depending on the supply-demand balance in each particular year. We think that the lowering of the activity of the Commodity Credit Corporation will be a net saving in itself.

In answer to a question that raising the resale formula would help only the "storage interests," Mr. Searles responded:

I do not think that the storage interests are going to get one more bushel advantage. As a matter of fact, the grain trade itself, instead of storing grains for the Government, would tend to be carrying more on their own account, which would take it out of the taxpayers' account. There would be a general buildup of the stocks in private channels, all the way from the farmer on through

Today as we have seen, where incentive is very low the Commodity Credit Corporation carries the grain stocks of the United States.

In further response to a somewhat similar question Mr. Searles stated on page 374 of the hearings:

The net effect that I would believe is that the storage people would be carrying stocks for their own account to a greater degree than they do today, and this would be net loss in Government stocks that they are carrying. So far as I can see they would be competing in the marketplace to earn their living as grain merchants more than they are today. That is as honest a statement as I can make.

On the same date Robert C. Liebenow, president, Board of Trade of the City of Chicago, presented a statement for the Chicago Board of Trade and also for the Kansas City Board of Trade. In his state-

ment he pointed out the fact the USDA claimed it needed the lower resale price to force participation in the program, but in his statement, a portion of it on page 383, points out some of the advantages the cooperator has over the noncooperator; and while he is addressing himself specifically to the feed grain program, the same advantages would be available to the cooperator in the wheat program.

(1) The noncooperator is not eligible for the loan or payments. He is most likely to be forced to sell in the early part of the marketing year, November to December, when prices are seasonally lowest. The cooperator can use the loan and practice orderly marketing—a long-term objective of all farm programs. The average price received by cooperators will be higher than for noncooperators.

(2) The cooperator is eligible for resale payments on farm-stored grain.

(3) The cooperator gets payments whether or not he makes a crop. This is an important insurance feature.

(4) The diverted acreage put into conserving crops is more productive the following year.

(5) The farmers' own marketing organizations lose if the Government dominates the market system.

He also stated on page 384:

There is a basic advantage to the cooperator for the market to be at or above the loan level. This is that most wheat that goes under loan is warehouse stored. The farmer must pay for the storage. Thus, taking the heavy pressure of Government sales off the farmer's back enables him to realize more in the market when he wants to use the market. If on the other hand, he wants to use the loan for orderly marketing, this alternative is available to him.

It should be noted that for a cooperator who puts his wheat under warehouse loan to net \$1.25 per bushel, the market must rise to about \$1.38 per bushel. The 13 cents covers storage costs, interest, and fees. If the farmer is forced to turn the wheat over to the Government, he nets only about \$1.14 per bushel. This is just too little.

Mr. Liebenow was followed by Mr. Sam L. Rice, Jr., president, Grain & Feed Dealers National Association, who was accompanied by Alvin E. Oliver, the executive vice president of the Grain & Feed Dealers National Association. On page 386 of the hearings Mr. Rice stated:

For two reasons, then, futures markets would be better used if the statutory resale price were to be increased; first, because the range of possible price change subject to the usual supply and demand forces would be widened. Secondly, because the unpredictability of an unusual supply force—Government sales—would be reduced.

A further consideration is that, if price programs in the future are to allow more scope to the marketplace, it is important to maintain the institutional framework under present programs. It is too much to expect markets to perform adequately at some future date if they are permitted to wither away under present programs.

In my business, the ability to hedge gives me price protection against my grain inventory. This price protection not only allows me to work on a closer margin of profit but also affords price protection which is necessary to borrow money to finance grain inventories.

There is still another advantage in increasing the statutory resale price. This involves reducing unnecessary price support activity and, therefore, the costs to the Government of price support programs.

At present, producers who have placed commodities under loan often forego the privilege of redeeming them even though the price rises to the Commodity Credit Corporation's resale price, because the difference between the loan and resale price is not great enough to make the grain redemption attractive.

The result is unnecessary expense to the Government in taking over and subsequently disposing of stocks which could and should move directly from the producer to the consumer through the marketing system.

On the same day Roy F. Hendrickson, executive secretary, National Federation of Grain Cooperatives, Washington, D.C., accompanied by Dwayne O. Andreas, executive vice president, Farmers Union Grain Terminal Association, St. Paul, Minn., appeared before the committee in support of an amendment to section 407 of the Agricultural Act of 1949 and specifically to increase the resale price to 115 percent.

Mr. Hendrickson pinpoints the issue on page 392 of the hearings with the following statements:

Sales for export that are exempted from this provision include wheat sold at the market price either in redeeming payment-in-kind certificates which are employed in paying export subsidies or in connection with providing commodities out of CCC inventory for barter, donation, and other programs.

Thus, the issue primarily turns on the resale level applicable to sales for unrestricted use, which chiefly means domestic use.

Let us turn to the CCC charter provisions. The CCC Charter Act, enacted by Congress in 1948-49, requires the Corporation to employ the "usual and customary channels of trade and commerce."

Is that a dead concept?

He points out the folly of the statements that raising the resale formula would hinder participation in the program on pages 392 and 393 of the hearings.

In connection with the new legislation for wheat for the 1966 and 1967 crops, a support price of \$1.25 per bushel, national average, is proposed plus a domestic certificate with a value projected at about \$1.25 per bushel on the domestic share of the production of farmers who participate in the program.

Now, 105 percent of \$1.25 is \$1.31¼. Thus, if the price advances only 6¼ cents a bushel above the national average support level, the ceiling of 105 percent will be reached.

This is an extraordinarily narrow range between the floor price or the support level and the ceiling price, which is the resale price level. It certainly conveys a degree of small trust in the free market system—6¼ cents.

On the basis of the record during the 1964-65 marketing year, we have sensed a tendency on the part of the Government to sell freely when the market price reached 105 percent of the support level and fear of a further advance in the market price.

Is this faith in a free market system? Is the certificate program so delicate it must set aside the goal of parity prices to farmers?

The law in nowise prohibits CCC from advancing with the market beyond 105 percent. But CCC has not waited for the market to advance to perhaps 107 percent, perhaps 110 percent or even 115 percent. Instead, the spigot has been opened wide at 105 percent. And more of this is in prospect.

On page 395 of the hearings, Mr. Hendrickson further points out the folly of the statements of those who say the farmer will not participate if we raise the resale formula:

Will he stay out of the program and plant fence to fence, on the theory that a 115-percent resale provision would produce a market price of \$1.43¾, national average, instead of \$1.25 or \$1.31¼? Will he so plant and forgo his domestic certificate valued at \$1.25 per bushel?

I have asked many farmers in a dozen wheat States about this, and I travel a great deal out among the wheat States. They think the answer is so obviously "No" that to them the question borders on being silly, unrealistic, naive. They will elect the high dollar option, and why not?

In response to a question with reference to the effects increasing the resale formula would have on exports, Mr. Andreas states on pages 397 and 398:

I think that there is one very important factor here. So long as you have the 105-percent sales policy, of course, private capital does not seek to own any wheat. The Government now owns more than 75 percent of all of the wheat in the Nation. And sometime during the year the Government will own over 90 percent. So effectively, you are nationalizing the wheat business. That is the effect of the 105 selling price.

In the process of getting export orders someone has to own wheat, move it to the seaboard, put it aboard the ship. They sometimes ship a load of wheat half sold or three-quarters sold. Someone has to own the wheat and have it at the right time and of the right quality to get the order. It takes experts to do this. In order for a cooperative or a private firm to do this they have to be willing to put their money into it. Well, it is next to impossible for a coopera-

tive or a private firm to put money into wheat and then invest in freight and the cost of moving it to seaboard when all of the time the Government might sell an hour later at a considerably lower price than you can sell for and get your money out and a reasonable profit.

So I would say that the export trade is very seriously crippled by this. What we need is a system which will permit—which will make it attractive to people with capital to invest in wheat, so that the Government does not have to carry all of the wheat. I think that is what you folks want. I do not think you have been very eager for the Government to own all of the wheat in the United States, but that is the result of your program.

Again on page 399 Mr. Hendrickson disposes of the argument used that if we raise the resale formula we, in effect, "lock up" Commodity Credit stocks unless we give them away. A question was posed by Mr. Poage as follows:

I understand that the Government can get rid of stocks of grain by giving them away. I understand that we can dispose of these stocks of grain if we are willing to take enough loss, but I hope that there would be some program whereby we could get rid of some of this stock without taking these big losses, but I gather that you do not hold out any hope of getting rid of this except to take a big loss.

Mr. Hendrickson's reply was:

No; I do not agree with you at all on this. I say that there are two ways that you can proceed and proceed simultaneously: One, you will keep up a progressive program of reducing these stocks as it is possible to do so, but at the same time, by putting it up to 115 percent, you will reduce the annual takeover and stop this reciprocal cycling action on stocks. I say let the needs of the domestic market be met out of the current supplies in the marketplace; instead as it has worked out here—instead by stimulating, literally stimulating an excessive takeover by the Government and then meeting domestic needs from CCC sales.

To refute the argument of those who say that raising the release price will mean the takeover of more grain by the Government, Mr. Andreas lays a question to rest with these statements on page 402:

There is only one way that the Government can own less wheat, and that is for somebody else to own some wheat, and the only way that you are going to make it interesting for anybody with money to own wheat is to get your sales price up. You cannot make this wheat disappear with a wand, you know. If you do not want the Government to own it you have got to make it interesting for somebody else to own it.

You would own less wheat for the following reasons: at the present time you have an office here selling wheat eagerly and boasting that they are raising money for the Bureau of the Budget. Right across the street in the same corporation

is an office that is buying wheat under the price-support program. The reason that this office is buying wheat is because that office is selling wheat. If you stop that office from selling wheat at low prices, this office will stop buying wheat.

We have a name for this in private industry. If we ran our business this way we would call it mismanagement, but you are selling wheat in direct competition with the current production of all of our members.

Now you look at the statistics that might prove almost anything, but I can tell you a little about statistics. Let us say that I make a transaction with an exporter for 1 million bushels of wheat. The statistics say that I sold that wheat. What the statistics do not show is the most important factor in any transaction. It never gets into statistics. That is, why did the buyer buy it—why was the price what it was? Who else was offering to sell, how much, what kind, and at what price. The final actual transaction is a result of these unrecorded facts.

As long as the Government's wheat is offered for sale at 105, nobody is going to pay me 104¾ and 105.2.

These unseen statistics dominate the entire trade, remove private capital from the stream. And as a result you own the wheat.

And I submit, sir, that you would have a hard time to show me how you can own less wheat unless you can encourage somebody else to own part of it.

If you raise the price, you would acquire less. You will then own less. You will acquire less.

In a letter from Mr. James G. Patton, president, National Farmers Union, dated April 20, 1965, addressed to the chairman of the Agriculture Committee and which appears on pages 350 and 351 of the hearings, Mr. Patton states:

The policy of Farmers Union as stated by our delegates is that "No CCC inventory of wheat should be disposed of at less than 120 percent of the support price and other policies concerning CCC marketings (including feed grains) should be directed toward strengthening the regular market structure."

We do not favor establishment of a CCC sale policy based on 120 percent of the support level for feed grains.

As Mr. Radcliff pointed out when he appeared before the subcommittees, we consider the spread between the support level now set at \$1.25 and \$2.50 (basic support rates plus \$1.25 certificates) proposed for domestic wheat under the provisions of the new farm bill, to be wide enough to permit increasing the CCC sale price of wheat to the level we recommend.

This matter was fully debated at our convention and by the decisive action of the delegates is the policy of Farmers Union.

On March 24, Anson Horning, president, National Association of Wheat Growers, before our committee stated:

The National Association of Wheat Growers would not oppose an increase in selling price of Commodity Credit stocks of wheat and feed grains, provided none of the following provisions in the present wheat law are changed: (1) the loan level for wheat or feed grains is not adjusted downward; (2) that the substitution clause remain effective; (3) the income feature of the export certificate be retained. These features in the wheat bill are of primary importance to wheat-growers, and to provide flexibility and an opportunity for improvement of income. We believe that the loss of any of these features would reduce farm income more than the 115-percent resale of CCC stocks plus carrying charges would improve our farmers' income.

Yes, the record is full of substantial support for the proposition of raising the release price on wheat. It would raise farm income, reduce Government costs, and help restore a healthy grain marketing system. We urge the House to give its approval to this amendment to increase CCC release prices on wheat.

PAUL B. DAGUE.
PAGE BELCHER.
CHARLES M. TEAGUE.
ALBERT H. QUIE.
CATHERINE MAY.
DELBERT L. LATTA.
RALPH HARVEY.
PAUL FINDLEY.
ROBERT DOLE.
LAURENCE J. BURTON.
PRENTISS WALKER.

ADDITIONAL MINORITY VIEWS BY MR. DAGUE, MR. LATTA, MR. FINDLEY, AND MR. BURTON

PART I—GENERAL STATEMENT

In addition to the general observations expressed in the minority report, we wish to express our specific comments on the key provisions of H.R. 9811 which we feel make it unacceptable.

The omnibus approach itself is, we feel, an unwise method for the consideration of this legislation. Each of the major provisions of H.R. 9811 involves the commitment of millions upon millions of dollars, and each should be most carefully scrutinized by the House before accepting it. When combined into a giant omnibus package, the House really doesn't get an ample opportunity to debate and examine each of these programs adequately. Nor does the House, under the omnibus approach, have the chance to conduct a penetrating examination of the details of these programs, an effort which is very important in the creation of the legislative intent.

PART II—COSTS

H.R. 9811 is very costly

The overall cost of the farm program in recent years has markedly increased to expenditures ranging from \$7 billion to nearly \$8 billion per year. There is no question in our minds that there are many programs and activities carried out by the Department of Agriculture that are necessary and desirable and are of broad benefit to the general public as well as farmers. We have no quarrel with expenditures for these programs.

We do contend, though, that expenditures on the various commodity programs are becoming increasingly burdensome, particularly in view of the fact that they are not, in the aggregate, improving the income standards of farmers.

As can be noted in table 2, the cost of our commodity programs has increased substantially since 1960. The 1964 rice program is up \$12.4 million; wheat is up \$48.1 million; the feed grain program is up \$554.3 million; the cotton program is up \$304.4 million; and the peanut program is up \$15.3 million; while only in the tobacco program are costs down by \$3.6 million.

According to the Department of Agriculture's February 1965 "Farm Income Situation," Government payments in 1964 were nearly \$2.2 billion. In 1965 these payments are expected to reach \$2.5 billion.

Yet in spite of these substantial investments by the taxpayers in Government payments, realized net farm income in 1964 was only \$12.6 billion up about \$900 million over 1960, and about the same as in 1958 when it was \$12.6 billion.

Clearly something is wrong with these programs if the Government has to spend over \$2 billion to increase farm income by only \$900 million. Clearly something is wrong if in spite of sharply increased

payments, farm income is not greater than it was 7 years ago. Clearly something is wrong if American farmers have to depend on Government payments for nearly one-fifth of their realized net income, as they did in 1964.

H.R. 9811 not only continues to provide the same defective remedies of the past; it proposes in addition to add a major crop, cotton, to the ever-widening list of commodities which depend on direct cash payments from the Government.

H.R. 9811 is a major bill having significance to the welfare of agriculture and the Nation. It calls for the extension or establishment of programs which will result in the expenditure in the neighborhood of \$18 to \$19 billion over the next 4 years.

As seen in table 2, the present wheat program is costing taxpayers some \$1.47 billion per year. These costs are of course *in addition* to the costs directly assessed against wheat consumers through the operation of wheat certificates. Under H.R. 9811 the domestic certificate is slated to be increased to \$1.25 per bushel, and the bill guarantees that the domestic quota will be at least 500 million bushels. This means that direct consumer costs will be at least \$625 million per year *in addition* to Government expenditures on the wheat program.

Again referring to table 2, the cost of the feed grain program is listed at \$1.51 billion per year, and H.R. 9811 proposes to extend it for 4 more years.

H.R. 9811 makes no change in the rice program. The administration recommended that a rice certificate program be adopted, but this was rejected by the committee.

The committee bill extends the Wool Act for nearly 4 more years. As can be seen in table 3, annual Wool Act expenditures range from \$20 to \$92 million per year. During the past 5 years, the wool program expenditures have averaged \$58 million per year. (See table 3.)

The cropland adjustment program in title VI sets up a long-range, whole farm, land retirement program over the next 5 years involving some 40 million acres of cropland. While the bill provides for open-end expenditures, the overall cost of this program was discussed at length in the committee. Department officials indicated that the anticipated national average per acre rental payment would be approximately \$17.60 per year. Thus, at its peak of 40 million acres in 1969, this program would be costing taxpayers slightly more than \$700 million per year. Under this program it is proposed that 8 million acres be retired during each of the next 5 years under contracts running as long as 10 years. This means, of course, that some contracts will remain in effect until 1979, some 15 years from now.

Based on the cost experience of a similar program, the conservation reserve of the soil bank, it can be seen that the cropland adjustment program will involve substantial sums of money.

Under the conservation reserve through June 30, 1965, a total of \$2,035,887,727 has been paid out. Future payments on existing contracts call for an additional \$589,036,158. These expenditures are in addition to the \$1,549,229,224 spent on the acreage reserve during its brief existence. In its peak year of participation, the conservation reserve program held 28.7 million acres. Its average cost per acre was \$11.88 per year. When it is all over in 1969, the

conservation reserve program will have cost \$2,624,923,985. The whole soil bank will have cost \$4,174,153,209.

Thus, it is obvious that the cropland adjustment program, which envisions even more acreage to be retired at more generous rental rates, will cost substantially more than the conservation reserve program it is replacing.

As can be seen from table 2, the present cotton program cost \$860 million in 1964. The Department of Agriculture estimates the cost of the 1965 cotton program to be \$725 million. As is discussed further in our remarks on cotton, we see little prospect of these costs being reduced by H.R. 9811.

The dairy and the miscellaneous provisions of this bill do not involve direct Government expenditures and therefore are not included in this estimate.

Calculation of estimated costs during next 4 years of programs extended or established by H.R. 9811

Using the assumptions discussed above, the estimate of program costs under H.R. 9811 is as follows:

Government costs:	
Wheat: \$1,470,000,000 (cost of 1964 program) times 4 years	\$5, 880, 000, 000
Direct consumer costs on certificates:	
Wheat: \$625,000,000 times 4 years	2, 500, 000, 000
Government costs:	
Feed grains: \$1,510,000,000 (cost of 1964 program) times 4 years	6, 040, 000, 000
Wool: \$58,000,000 (average cost, last 5 years) times 4 years	232, 000, 000
Cropland adjustment: \$700,000,000 (estimated) times 5 years	¹ 3, 500, 000, 000
Cotton: \$725,000,000 (estimated cost of 1965 program) times 4 years	2, 900, 000, 000
Total: Estimated Government expenditures under H.R. 9811, 1966-69:	
Wheat	5, 880, 000, 000
Feed grains	6, 040, 000, 000
Wool	232, 000, 000
Cropland adjustment	3, 500, 000, 000
Cotton	2, 900, 000, 000
Total (rounded)	18, 600, 000, 000

¹ This would be the very minimum expenditure as it assumes that all contracts would be for 5 years. H.R. 9811 authorizes contracts to run 10 years, thus, total expenditures could be expected to be more than \$3,500,000,000. Based on conservation reserve cost experience, total cropland adjustment program expenditures could be in excess of \$5,000,000,000.

This \$18.6 billion estimate of expenditures during the life of H.R. 9811 is, we feel, a most conservative one. Costs under the cropland adjustment program could be much higher, and the value of domestic wheat certificates (a direct consumer cost of \$2.5 billion) has not been included.

TABLE 2.—CCC cost relationship for specified commodities, 1961-64 crops

Commodity and crop years	Realized loss and CCC costs ¹	Number of allotment farms	Cost per allotment farm	Harvested acres, SRS	Cost per harvested acre	Value of production ²	Government costs as percent of value of production
1964 crop:	<i>Millions</i>			<i>Thousands</i>		<i>Millions</i>	
Rice.....	\$170.0	14, 108	\$12, 060	1, 786	\$95	\$359.7	47
Wheat.....	1, 470.0	1, 730, 085	850	49, 170	30	2, 214.1	66
Feed grains.....	1, 510.0	3, 190, 653	473	100, 161	15	6, 740.0	22
Cotton, upland.....	860.0	605, 000	1, 421	13, 951	62	2, 264.8	38
Tobacco.....	28.0	565, 692	49	1, 080	26	1, 307.4	2
Peanuts.....	32.0	95, 000	337	1, 397	23	246.9	13
1963 crop:							
Rice.....	179.7	14, 484	12, 407	1, 771	101	352.1	51
Wheat.....	1, 835.5	1, 721, 000	1, 066	45, 209	41	2, 357.8	78
Feed grains.....	1, 395.2	3, 199, 856	436	107, 380	13	6, 879.1	20
Cotton, upland.....	485.1	639, 000	759	14, 072	34	2, 428.3	20
Tobacco.....	38.8	570, 158	68	1, 176	33	1, 351.8	3
Peanuts.....	28.3	98, 000	289	1, 409	20	226.7	12
1962 crop:							
Rice.....	159.9	14, 853	10, 766	1, 773	90	332.6	48
Wheat.....	1, 832.2	1, 772, 076	1, 034	43, 541	42	2, 513.2	73
Feed grains.....	1, 149.7	3, 258, 729	353	103, 250	11	6, 400.5	18
Cotton, upland.....	385.8	760, 000	508	15, 475	25	2, 341.4	16
Tobacco.....	41.0	572, 462	72	1, 225	33	1, 363.8	3
Peanuts.....	21.2	106, 000	200	1, 412	15	199.3	11
1961 crop:							
Rice.....	134.7	15, 017	8, 970	1, 589	85	278.6	48
Wheat.....	1, 568.2	1, 651, 918	949	51, 551	30	2, 258.4	69
Feed grains.....	1, 697.5	2, 861, 000	593	106, 346	16	6, 206.5	27
Cotton, upland.....	388.7	800, 000	486	15, 575	25	2, 338.2	17
Tobacco.....	29.2	573, 070	51	1, 174	25	1, 315.0	2
Peanuts.....	12.1	114, 000	106	1, 410	9	190.9	6
1960 crop:							
Rice.....	157.6	15, 394	10, 238	1, 595	99	248.4	63
Wheat.....	1, 421.9	1, 643, 237	864	51, 896	27	2, 365.2	60
Feed grains.....	955.7	(³)	(³)	127, 826	7	5, 469.1	17
Cotton, upland.....	555.6	925, 000	601	15, 249	36	2, 136.4	26
Tobacco.....	31.6	577, 288	55	1, 142	28	1, 183.8	3
Peanuts.....	16.7	116, 000	144	1, 410	12	178.7	9

¹ Fiscal year most closely comparable to crop year listed; e.g., fiscal 1965 costs relate most closely to 1964 crop year. Includes loss on sales, donations, carrying charges, commodity export payments, gross costs of Public Law 480 programs and other related costs. For wheat also includes IWA, land diversion and price support payments; feed grains also include price support and land diversion payments; cotton includes equalization payments. Public Law 480 costs do not include (a) dollar proceeds from sales of foreign currencies under title I and (b) dollar repayments under long-term credit and supply contracts (title IV). Interest and administrative costs are excluded (except for IWA).

² Includes Government payments where applicable.

³ No diversion program in effect—no farm bases established.

Source: USDA.

TABLE 3.—Amount of payments, total expenditures, and reimbursements to CCC under the National Wool Act, by years
[In millions of dollars]

Fiscal year (July-June)	Total wool and mohair payments		Adminis- trative expenses	Interest on account receivable	Total expendi- tures	70 percent of duty collections		Reim- bursement in relation to year's expendi- tures	Amount unreim- bursed at end of fiscal year
	Marketing year	Amount				Total preceding calendar year	Reim- bursement to CCC ¹		
1954-56			0.2		0.2	2 25.4	0.2		
1955-56			2.0		2.0	2 30.1	2.0		
1956-57			2.1		61.3	2 29.7	29.7	-31.6	31.6
1957-58	1955-56 (April-March)	57.6	2.3	1.6	57.2	2 24.5	24.5	-32.7	64.3
1958-59	1956-57 (April-March)	51.9	2.7	2.9	20.0	50.1	50.1	+30.1	34.2
1959-60	1957-58 (April-March)	16.1	2.8	1.2	92.7	67.2	67.2	-25.5	59.7
1960-61	1958-59 (April-March)	85.1	3.0	4.7	60.9	75.3	75.3	+14.4	45.3
1961-62	1959-60 (April-March)	53.9	2.9	3.0	65.4	69.2	69.2	+3.8	41.5
1962-63	1960-61 (April-March)	56.9	3.3	3.0	63.2	90.2	90.2	+27.0	14.5
1963-64 (estimated)	1962-63 (April-March)	40.0							
1964-65 (estimated)	1963 (April-December)	27.0	4.0	2.0	73.0	92.4	87.5	+14.5	
	1964 (January-December)	27.3	2.2	.3	29.8	85.0	29.8		

¹ Under sec. 705 of National Wool Act, reimbursement is limited to 70 percent of duties on wool and wool manufactures for the preceding calendar year.

² Prior to amendment of the National Wool Act in 1958, the reimbursement was limited to 70 percent of only the specific portion of the duties. The unreimbursed amounts are

carried by CCC as an account receivable.

³ Includes approximately \$1,000,000 prior-year adjustments.

Source: USDA, hearings on extension of Wool Act, p. 25.

PART III—SPECIFIC OBJECTIONS

In our opinion, the feed grains, cotton, and wheat provisions of H.R. 9811 are the most objectionable provisions in this bill. A detailed discussion of our reasons follows:

TITLE III—FEED GRAINS

We feel that the proposed 4-year extension of the feed grain program (which was started in 1961 as a 1-year "emergency" program) is most unwise. The program has been both expensive and ineffective. The record clearly shows that the decline in CCC stocks which has occurred has been accounted for by a sharp increase in domestic and foreign utilization.

Government sales policies on feed grains have, in the past, contributed to much lower prices to farmers than was necessary. We have endeavored to change that policy by amendments to H.R. 9811 which would prohibit the Commodity Credit Corporation from selling surplus feed grains representing payment-in-kind certificates for less than 105 percent of the loan level plus reasonable carrying charges. While section 407 of the 1949 act generally prohibits domestic sales at less than 105 percent plus reasonable carrying charges, the Secretary has authority under present law, and would continue to have such authority under H.R. 9811, to master the corn market. Certainly the farmer, both complier and noncomplier, would benefit if this change in the CCC sales policy were adopted. Testimony by the Department indicated that an increase in the release price from the present 100-percent level to 105 percent would improve corn market prices by an estimated 7 cents a bushel, an amount hardly likely to inspire broad noncompliance with the program.

TITLE IV—COTTON

The cotton provisions of this bill ask the Congress to move from one costly failure to another.

Last year, when the present cotton program was enacted, its proponents set forth ambitious claims of lower Government costs and cheaper cotton prices to consumers, together with a variety of overly optimistic predictions concerning the welfare of this great industry.

In our minority report on H.R. 6196 last year we contended that the legislation which was enacted would be at least \$221 million per year more expensive than the old program; that consumers would receive little if any benefit; and that this legislation would only compound the problems facing everyone.

The record of the present program clearly shows it has been a failure.

Government costs are up

The cost of the cotton program in the 1964 crop year has *increased* by \$375 million to \$860 million from \$485.1 million in 1963. (See table 2.)

Under Secretary Murphy in his testimony before the committee on May 26, 1965, said:

Expenditures in fiscal 1965 will reach nearly \$900 million, but some \$150 million of this amount is a "one-time" cost connected with the transition to the new program * * * (in the

1965 crop year) program expenditures probably will decline to about \$725 million.

Consumers are not benefiting

In its report on the cotton bill last year the committee majority quoted the U.S. Department of Commerce estimate of consumer savings and said at page 12 of its report:

Thus the savings to consumers at \$500 million or more under H.R. 6196 would more than double the extra costs to taxpayers in operating this new program.

However, the testimony by the Department of Agriculture before the committee this year clearly shows no such benefit to consumers has occurred. Again quoting Under Secretary Murphy at the hearings, this fact is apparent when he said: "Price reductions for textiles to consumers are still around the corner;"

The evidence submitted for the record also illustrates clearly that unfinished cloth prices actually rose slightly rather than declining, and this occurred in spite of some \$483 million paid to textile mills and others in the cotton processing industry during fiscal year 1965.

During the past year we have also experienced a sharp drop in cotton exports (down about one-fifth from 5.7 million bales in 1963-64 to 4.5 million bales in 1964-65). There has been a substantial increase in the cotton surplus (up 1.3 million bales to an expected total of 13.4 million bales on August 1, 1965). In addition, cottongrowers have felt an 8-percent drop (some \$238 million) in the farm value of cotton and cottonseed even though the 1964 crop was as large as the 1963 crop. The only bright spot in the whole picture has been a slight increase (some 800,000 bales) in domestic use, but this increase was less than that shown by manmade fibers which are continuing to grow in market importance.

Present program clearly not the answer

We continue to maintain as we have maintained in the past that the 1964-65 cotton program is not the answer. It is a costly failure. Under Secretary Murphy underlined our contention in this regard when he said during the hearings:

We estimate that the 1965 program applied to the 1966 crop without change would result in expenditures of about \$830 million and an increase in the carryover of more than a million bales.

H.R. 9811 calls for another cotton program that is doomed to failure.

On one hand this bill proposes to encourage the reduction of cotton acreage by cash payments to cotton farmers who cut their present acreage allotments from 15 to 35 percent. Experience through the years has revealed that acreage cuts never cut production by the same percentage as the acreage is reduced. (Flue-cured tobacco growers, for example, took a 10-percent cut in acreage last year but produced more tobacco on the smaller acreage.)

While the bill encourages farmers to cut production on one hand, another provision would allow any cottongrower to produce all the cotton he wanted to without penalties and without subsidy. While we feel the approach to a freer cotton market is a sound one, we do not feel that a single cotton program embracing both the theory of reducing acreage to cut production and the theory of unlimited pro-

duction at the same time can possibly give taxpayers their money's worth.

Departmental estimates about the expanded acreage under H.R. 9811 ranged from 300,000 to 600,000 acres. Suffice to say, a half million acres or more of cotton produced in high-yield areas of the country could most certainly produce over a million extra bales of cotton, hardly an insignificant amount.

Another provision in the cotton title of this bill which is most objectionable is the so-called snapback clause as proposed in a new subparagraph d(12) of section 103 of the Agricultural Act of 1949. This snapback clause says that if any limitations on cotton payments are *hereafter* enacted by Congress, the old price-support program with loans at 65 to 90 percent of parity will automatically go back into effect with the authority for the Secretary to sell surplus cotton at prices well below the loan level.

This means, of course, that unless this provision is removed from the bill, and subsequent amendments enacted to prevent large corporate cotton farms from receiving several hundred thousands of dollars a year in cash subsidies from the taxpayers, the snapback clause would be triggered into an operation whereby the Secretary would completely dominate the cotton industry.

In the meantime, cotton farmers would become directly dependent on Government payments for about one-third of their income, and this, we submit, is not acceptable to most cotton farmers.

We also feel that section 406 of H.R. 9811, which allows Government purchases of cotton allotments, is wasteful and is particularly objectionable because of its proposed back-door spending financing through the use of CCC stocks and funds.

Looking at the present cotton program costs of \$725 million in 1965, it is most difficult to see how any taxpayer cost reductions could be realized. Permitted overplanting can only disrupt the effect of acreage cuts. Advancing production technology will wipe out a good deal of the acreage cuts contemplated. The sale and lease provisions, together with the release and reapportionment provisions of the bill, will also encourage more production at a time when the surplus is near a record high.

We predict again this year, as we did last year, that the cotton program will not improve under H.R. 9811 and that in the long run cotton farmers, consumers, and taxpayers will not benefit from its enactment.

TITLE V—WHEAT

Certainly one of the most objectionable features of H.R. 9811 is this wheat title, which proposes to extend with several changes the present wheat program for 4 more years.

Present program

The present wheat certificate program is operating under the authority of last year's wheat-cotton bill which passed the House of Representatives on April 8, 1964, by only eight votes.

Under the present program the Secretary of Agriculture has set the Commodity Credit Corporation nonrecourse loan level at \$1.25 per bushel. Wheat farmers who comply with certain acreage restrictions are eligible to receive these loans and in addition are entitled to an extra 75 cents a bushel payment on 45 percent of their normal pro-

duction and an extra 30 cents a bushel payment on another 35 percent of their production. The remaining 20 percent of their normal production is not eligible for these extra payments. Both the 75-cent payment and the 30-cent payment are made through the issuance of domestic and export certificates which the complying farmer receives as his share of the United States and export market for wheat.

In theory at least, the complying farmer receives part of his price from the certificates and part from wheat processors who are required by law to obtain certificates on all of the wheat they make into food for U.S. consumers or export.

In practice, however, the farmer, when he signs up for the program, designates the Secretary as his agent to market the certificates for him. The wheat processors and exporters then make periodical payments to the Secretary for the wheat they have made into wheat products for U.S. consumers or for export.

In other words, the complying farmer receives \$1.25, either in the market or as a nonrecourse loan from the Government. In addition, he receives a cash payment averaging about 42 cents a bushel on his total normal production. That is, he receives \$2 a bushel on 45 percent of his normal production (his domestic share), \$1.55 on 35 percent of his normal production (his export share), and at least \$1.25 on his remaining production.

The wheat processors must pay at least \$1.25 a bushel for wheat in the market which is set by the Government's nonrecourse loan program and CCC sales policy. In addition, they must pay an extra 75 cents to the Secretary on domestic wheat and 35 cents on export wheat.

Proposed changes by title V of H.R. 9811

Title V of H.R. 9811 proposes to raise the level of support on domestic wheat from \$2 to at least \$2.50 per bushel.

Section 506 of H.R. 9811 provides that:

* * * price support for wheat accompanied by domestic certificates shall be at 100 percent of the parity price or as near thereto as the Secretary determines practicable, but in no event less than \$2.50 per bushel * * *.

This section also provides authority for the Secretary to discontinue or sharply reduce the value of export certificates, an action anticipated as the result of his testimony before the committee.

This means that with a \$2.50 minimum support on domestic wheat and with the loan level staying at approximately \$1.25, the value of the domestic certificate will have to increase by at least 50 cents a bushel.

Since the June 1965 parity price for wheat is \$2.57 per bushel, the value of the domestic certificate could be increased by 57 cents and in later years by greater amounts.

In other words, H.R. 9811 would require wheat processors to pay an additional 50 to 57 cents a bushel for the wheat that is transformed into human food for consumption by U.S. consumers. Wheat farmers, under the terms of the bill, would then receive at least \$2.50 a bushel on 500 million bushels of wheat (about 45 percent of national production).

When all is said and done, several salient facts stand out.

First.—Under H.R. 9811 U.S. consumers would be required to pay twice as much for wheat products made from American wheat as would foreign consumers.

Second.—U.S. wheat processors would have to pay as much or more for the privilege of processing wheat into food products as they would for the wheat itself.

Third.—The domestic certificates apply only to human food use, thus wheat used for cat, dog, and other pet foods, together with certain industrial wheat products would not be subject to the certificates.

Is the wheat bill a bread tax?

We recognize, of course, that the wheat certificate program is not a *de jure* tax, but we submit in actual operation it is a *de facto* tax on U.S. consumers.

It must be paid by wheat processors as part of the cost of their business, and its cost is passed on to consumers.

The funds involved are collected by the Government and paid to cooperating farmers as is pointed out in the Department of Agriculture Press Release No. 2116-65 issued July 7, 1965, which states as follows:

Wheat marketing allocation program.—Under the 1965 and 1966 wheat program, wheat marketing certificates are issued to eligible producers. Wheat processors and exporters prior to marketing food products produced from wheat or exporting wheat must acquire and surrender domestic or export marketing certificates. The Corporation purchases and sells wheat marketing certificates and records the surrender of certificates by processors and exporters. The Corporation is authorized by legislation to sell certificates in excess of certificates purchased. As of May 31, 1965, certificates issued to producers amounted to \$409,739,625 and certificates acquired and surrendered by processors and exporters (net of refunds and adjustments) amounted to \$431,488,807. The value of certificates surrendered in excess of certificates issued is more than offset by refunds and subsidy payments to exporters on wheat and wheat products exported and the value of marketing certificates included in the price paid by the Corporation for wheat products purchased.

Actually, we feel that it is unimportant whether this program is called a bread tax, a cookie tax, a spaghetti tax, a cracker tax, a macaroni tax, or a certificate program. The important issue, we feel, is not what the program is *called*, but what the program *does*.

It is in this regard that we feel the certificate program as proposed in H.R. 9811 fails to meet the standard of the general public interest or the specific interests of farmers, taxpayers, and consumers.

Not fair to consumers

Why, we ask, should U.S. wheat consumers be burdened with the extra cost of the certificate structure? The committee has rejected almost unanimously the administration's request to set up a similar program on rice.

It is argued that the 1- to 2-cent rise in a loaf of bread can be absorbed by the public. "Who can't afford an extra penny these days anyway?" some advocates of this program seem to be saying.

One penny on a loaf of bread doesn't sound like much by itself, but H.R. 9811 speaks to the millions upon millions of loaves of bread that would be made from 500 million bushels of wheat a year at an extra \$1.25 per bushel for 4 years; or put in terms of total consumer cost, some \$2.5 billion over and above the market value of the wheat used for food in the United States.

The proposed 50-cent a bushel *increase* by itself calls for an additional direct consumer cost of \$250 million per year or an additional \$1 billion during the life of this bill.

The *effect* of the certificate wheat program on consumers is the same as a sales tax, regardless of what it's called. The 1-cent increase in a 21-cent 1-pound loaf of bread conceded by the proponents of this bill would be the equivalent of a 5-percent sales tax. If the increased price turns out to be 2 cents, as some segments of the wheat industry contend, the increased cost to consumers would be the equivalent of a 10-percent sales tax. We feel it is not sound policy to impose a regressive burden of this nature on one of our basic foods, and this principle has long been recognized by many States in their sales tax laws which exempt basic foods.

Not fair to low income families

It is generally conceded as economic fact that persons in low-income groups spend a much greater proportion of their income for wheat and other cereal products than do higher income groups. This being fact, the imposition of an additional 50-cent per bushel consumer cost on wheat would fall most regressively on the low-income groups that the antipoverty program is designed to assist.

At a time when the Government is reducing or eliminating excise taxes on furs, diamonds, and automobiles, it makes very little sense to us to increase the "tax" on bread and other wheat products.

The following three tables were prepared by Representative Findley, of Illinois, to illustrate the adverse impact of this legislation on persons in low-income groups:

TABLE 4.—*Home use of wheat products per person per week*

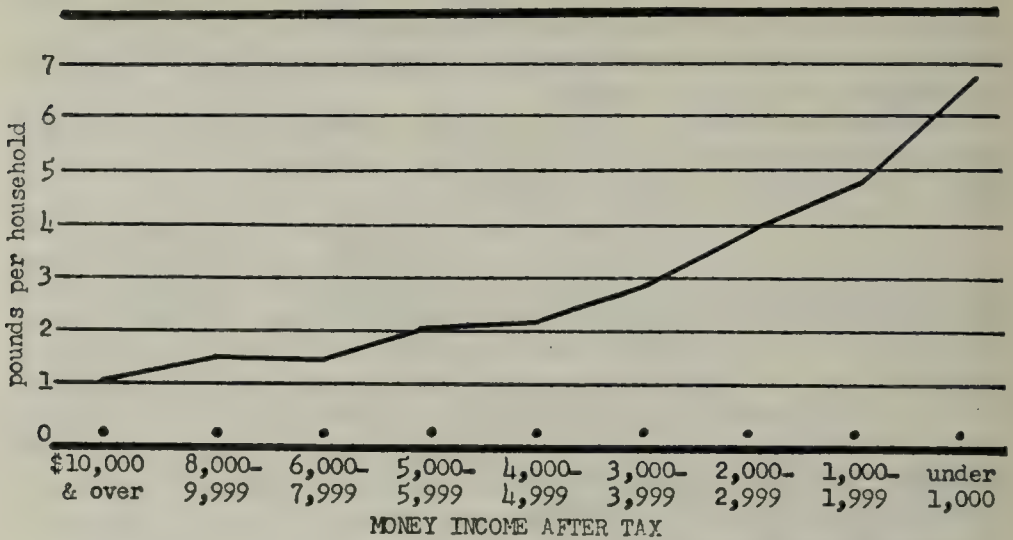
[In pounds]

Annual income per family	Southern United States	U.S. average
Under \$2,000.....	4.44	3.83
\$2,000 to \$2,999.....	3.68	3.15
\$3,000 to \$3,999.....	3.41	2.84
\$4,000 to \$4,999.....	3.29	2.59
\$5,000 to \$5,999.....	3.11	2.58
\$6,000 to \$7,999.....	2.90	2.46
\$8,000 to \$9,999.....	2.56	2.29

TABLE 5.—*Income expenditure for wheat products—Percent spent for wheat products*

Annual income per family:	
Under \$2,000.....	6.6
\$2,000 to \$2,999.....	5.9
\$3,000 to \$3,999.....	5.8
\$4,000 to \$4,999.....	5.3
\$5,000 to \$5,999.....	5.1
\$6,000 to \$7,999.....	4.8
\$8,000 to \$9,999.....	4.6

TABLE 6.—Average quantity of flour consumed per week per household in the United States



Source: Household Food Consumption Survey, 1955, Rept. No. 1, published December 1956, USDA, ARS, AMS.

Not fair to labor

The recent statement by the American Bakery & Confectionery Workers International Union, AFL-CIO clearly and succinctly sets forth the impact of this legislation on jobs and job opportunities.

Here is what this union said:

Effect on jobs and job opportunities

With the substantial increase in the price per pound of bread, which is fully expected by the proponents of the proposed legislation, we foresee the flight of still more consumers from the bread and wheat products shelves of our urban and rural grocery stores and markets.

Such a rout will immediately bring its toll among those marginal bakeries in which production bakers are now employed. Most of these marginal operations are making heroic efforts to attain stability and are nearing success. The legislation, if adopted, will provide them with a *coup de grace*. These businesses will be forced to close and the workers will be out of work.

The price increase will also have its effect on the larger wholesale companies because of the shrinking market we feel is the inevitable result. This too, will mean further loss of jobs.

We cannot too strongly emphasize that bakery production workers have been suffering and are presently suffering a sharp reduction in the number of job opportunities for workers employed in the industry. According to the U.S. Department of Labor there were 200,000 production workers in the bakery products industry in 1950. By 1964 the number had shrunk to 165,700 and the latest figures for February 1965 (Monthly Labor Review for April 1965) places the number of production workers at 160,800.

A recent survey by the Department of Labor on the effects of technological changes and automation on future employment, in 36 industries studied, places the baking industry high on the list of those industries which will continue to suffer a continuing decline in the number of production workers.

This proposal, added to the existing as well as the predicted impact of automation on the jobs and job security of our union members, will guarantee a quickening of the rate at which production jobs will disappear.

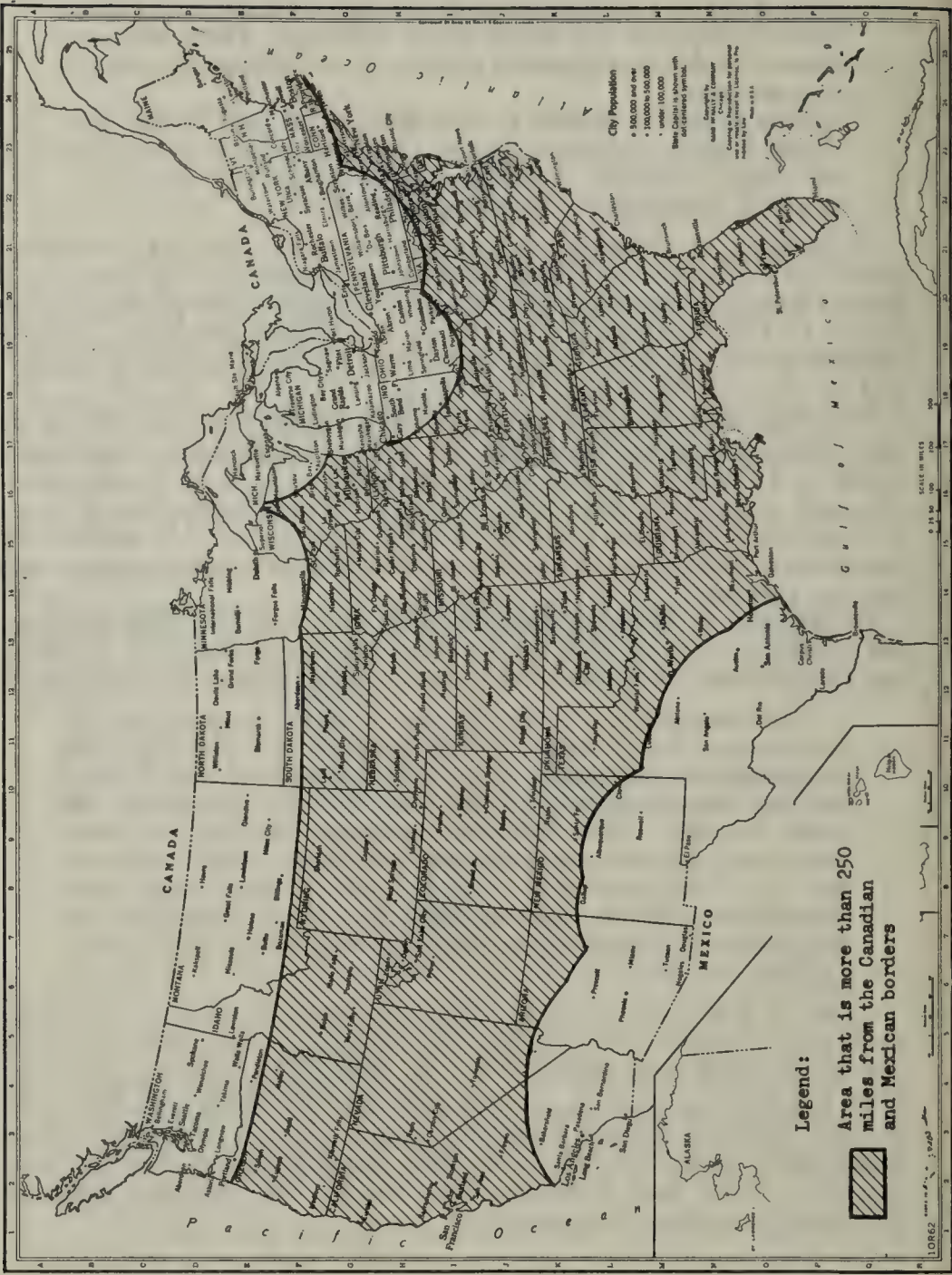
In addition to the direct impact of title V of H.R. 9811 on wheat prices, the prospect of increased foreign competition in bread and bakery products processed in Canada and Mexico also presents a real threat to U.S. business and labor in the wheat industry. Already Canadian bread is being imported into the United States at Detroit and in cities in upper New York State.

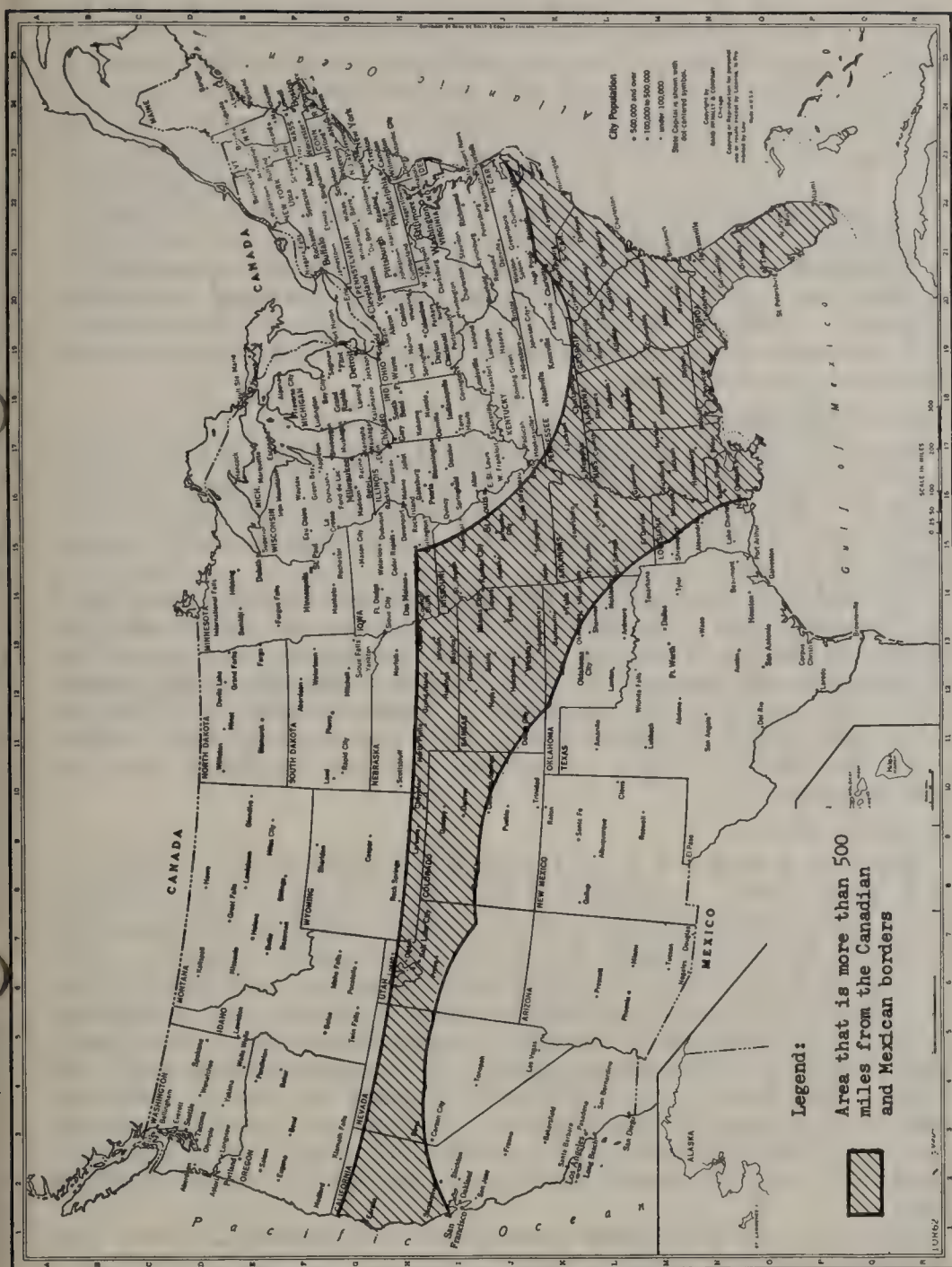
Canadian and Mexican bread and bakery products, as far as we have been able to ascertain, are not subject to either a quantitative quota or to import duties. Some 15 million loaves of bread a year are now being imported from Canada. Thus, when the price of U.S. wheat is increased another 50 cents a bushel to U.S. bakers, the competitive advantage of Canadian and Mexican wheat products will be even greater.

In response to Representative Findley's request for information on the competitive effect of a 1- or 2-cent increase in the price of bread, the Department of Agriculture's Agricultural Research Service said:

Our best estimate is that it costs about 8 cents a ton-mile to transport baked bread by truck-trailer, the way it usually is hauled over the longer trips. This means a ton of bread can be transported about 250 miles for \$20 and about 500 miles for \$40. This information comes from an industry source and agrees pretty closely with truck operating costs we have obtained from other sources. In using these figures I suggest you keep in mind the 16-hour indicated time limit and that truck operating costs vary from one area to another.

Thus, it is logical to assume that the possible range of Canadian or Mexican import competition could be expanded. The following two maps show the potential range (250 miles, possibly resulting from a 1-cent increase in the market price of bread and 500 miles possibly resulting from a 2-cent increase). As can be noted in these maps, all of New England, New York, Michigan, and most of Pennsylvania, Ohio, and Indiana come within the 250-mile range of potential Canadian competition.





Advocates of this wheat title also make the point that during the past 15 years the price of wheat has declined while during the same period the price of bread has advanced. Apparently forgetting the fact that these same consumers are taxpayers they argue, a Government-legislated increase in wheat prices to consumers is now justified.

We certainly would support any effort to help wheat farmers get better prices in the marketplace. These increases in prices would be both justified and deserved. We have supported amendments to H.R. 9811 to accomplish this result, but we do not feel that direct Government action to raise the price to consumers while keeping the market price structure of wheat down at world price levels is proper.

The wheat and cotton provisions of this bill are most inconsistent on this point. In cotton, U.S. textile manufacturers and presumably consumers would get American cotton at world prices; but in wheat, U.S. processors and consumers would be required to pay twice or more the world price for wheat.

Unfair to taxpayers

It must be kept in mind that the wheat program is the second most expensive commodity program conducted by the Government. (See table 2.) The \$1.47 billion spent by the U.S. taxpayer on the 1964 wheat program should entitle him to a better program than a 4-year extension of the same burden.

Advocates of the certificate plan have made the claim that direct Government costs have declined \$300 million per year under the certificate plant. What has occurred, of course, has been a shifting of costs from the taxpayer to the wheat consumer, not a reduction in the overall cost to the general public. As seen by table 2, the Government costs of the certificate plan in 1964 were actually \$48.1 million more than in 1960 when consumers were not burdened with the certificate system.

Unfair to farmers

When all is said and done, the wheat farmer will not benefit from H.R. 9811 either. Advocates of this bill have, on various occasions in the past, stated that the mandatory wheat certificate program would be better for farmers than the present "voluntary" program. Yet, in spite of the fact that the permanent wheat law provides all wheat farmers with the chance to accept the mandatory program in a national referendum, the present program is being proposed for 4 more years, thereby giving the farmers no choice. Perhaps the experience of 1963 when wheat farmers so emphatically rejected the wheat certificate plan is the reason for this position. Perhaps not, but whatever the reason, the fact remains that by referendum and by participation in the present program, most wheat farmers are not sold on the certificate plan.

H.R. 9811 contains three specific provisions which are most discriminatory against other farmers.

The first is a continuation of the system whereby feed wheat is exempt from any certificates. Ever-increasing feed use of wheat is making and will continue to make serious inroads into corn and other feed grain markets.

Second, the certificate plan discriminates against the producers of Soft Red Winter wheat grown in Ohio, Michigan, Illinois, Indiana, and other Midwestern States together with the Hard Red Spring and

Durum wheat produced in the upper Midwest. Domestic certificates are issued now and will continue to be issued under H.R. 9811 on about 45 percent of a farmer's projected yield. Yet the domestic use of Soft Red Winter wheat during the 5 years 1959-63 was 71.3 percent, on Hard Red Spring it was 76.2 percent, and on Durum it was 68.4 percent. On Hard Red Winter wheat and on White wheat the percentage of domestic use was less than 45 percent. During the same period it was 37.1 percent on Hard Red Winter and 23.9 percent on White wheat.¹

Third, the small farm exemption which represents only the tattered remains of what was once the 15-acre marketing quota exemption would be set aside for another 4 years by this bill. Certainly, no one should argue that this program is designed for the benefit of the small farmer.

SUMMARY

In summary, the wheat provisions of this bill are unfair to consumers, taxpayers, farmers, labor, and to low-income families. Title V would continue the second most expensive commodity program on the books while directly assessing U.S. consumers another \$250 million per year through the price of wheat products. Its costs cannot be measured in money alone as it applies a regressive "bread tax" to low-income citizens, threatens wheat workers' jobs, and discriminates against other farmers. The cotton provisions of this bill seek to move from one costly failure to another, and the feed grain provisions call for another extension of a costly and ineffective program that originally was started as a 1-year "temporary" expedient.

PAUL B. DAGUE.

DELBERT L. LATTA.

PAUL FINDLEY.

LAURENCE J. BURTON.

¹ Source: P. 32, Hearings, Serial J, 89th Cong.

ADDITIONAL VIEWS OF MR. FINDLEY

I would like to emphasize that in my opinion the rejection of H.R. 9811 by the House is the best course of action on this legislation. If H.R. 9811 were defeated, nearly each commodity included in the bill would be covered by programs established under permanent law which, though inadequate, are preferable to the programs envisioned by this legislation.

While I concur with both the minority report and the preceding additional views by Mr. Dague, Mr. Latta, and Mr. Burton, I would like to point out several other provisions in this bill which I believe to be defective.

TITLE I—DAIRY

I do not think the proposed class I dairymen's base plan is a practical solution for improving dairy income or reducing surplus milk production. It is unrealistic to consider each of the 75 existing Federal orders as units unto themselves and independent of other regulated and nonregulated markets. It will, I feel, tend to further restrict the flow of milk from various parts of the Nation and will only widen the spread between class I and manufacturing milk prices. The provisions authorizing the sale of bases is also a provision which will further restrict the access to existing markets by either new producers or by producers outside the order area implementing this plan.

TITLE II—WOOL

H.R. 9811 would continue for 4 more years a program under which income of woolgrowers is supplemented by direct payments financed by U.S. taxpayers.

The cost of the program last year was \$29.8 million. The total for the last 10 years has been about a half a billion dollars. H.R. 9811 will make the program more expensive by raising the minimum support price about 3 cents a pound over the 62 cents support level.

When the program was established in 1954, it was heralded as one which would improve farm income and boost wool production.

While the program obviously transfers some cash from the U.S. Treasury via the Department of Agriculture to the pockets of woolgrowers, it has not had notable success in boosting U.S. wool production. Even in the heyday of the midfifties when parity supports on wool exceeded 100 percent—highest of any commodity—wool production made no significant gains.

Extension of this payments program for 4 more years will simply whet the appetite and strengthen the hand of those wishing to extend direct payments to producers of other commodities.

It will deepen the dependency of woolgrowers on payments from the U.S. Treasury and make more distant the day when U.S. wool production is on a sound competitive basis.

TITLE VI—CROPLAND ADJUSTMENT

The inclusion of the cropland adjustment program in this bill with feed grains, wheat, and cotton casts serious doubts upon its effectiveness. I feel that the proposed cropland adjustment program will be unnecessarily expensive when it must compete for acreage diverted for feed grains, cotton, and wheat at the rates established in H.R. 9811. As discussed earlier, I feel that the taxpayers will not be getting their money's worth if the cropland adjustment program is superimposed on the other commodity programs.

TITLE VII—MISCELLANEOUS

The provisions in this title are, in my opinion, either unneeded or objectionable. The boiled peanut exemption just continues another loophole in the peanut program, and the lease and transfer authority extension for tobacco only perpetuates an undesirable situation. The allotment measurement and parity study provided for in this title are relatively minor proposals which could easily be handled in the regular course of legislation.

PAUL FINDLEY.

SEPARATE VIEWS OF THOMAS G. ABERNETHY AND E. C. GATHINGS ON COTTON

The cotton industry of the United States is a basic pillar of strength to the whole U.S. economic structure. Millions of jobs, with the accompanying income, are dependent on it and billions of dollars are invested in its production and processing.

There are about $9\frac{1}{4}$ million people who depend upon cotton for a source of livelihood. Nearly one-third of these people live on farms that grow cotton. The rest are workers and families of workers whose jobs can be directly attributed to cotton production, processing, and distribution. In addition, there are 11 million other workers and their dependents in employments for which the portion dealing with cotton cannot be separated.

The total investment in the production and processing of cotton is estimated at more than \$24 billion. About \$11 $\frac{3}{4}$ billion of this is in farm real estate. Land value depends to a large degree on its current income-producing ability and no other extensively grown crop approaches cotton in per-acre income. A study by the National Cotton Council shows that even if cotton acres are diverted to the next most profitable crops, gross income from this land could be expected to drop by well over 50 percent, even if prices of the other crops did not decline. It is highly questionable whether the farm financial structure in cotton-producing areas can withstand big cotton acreage cutbacks. A chain reaction from farm income reduction, debt delinquency, lender difficulties, and forced liquidation could do irreparable damage to the economy of these areas. Land value will inevitably be adjusted downward if cotton acres have to be shifted to lower value crops due to acreage cuts or loss of markets.

It should also be recognized that cotton is a very important earner of foreign exchange among U.S. exports. Even with lower exports over the last 5 fiscal years through 1964, cotton exports had an average value of more than \$600 million a seventh of total agricultural exports. Without cotton, the Nation's deficit in balance of payments, which has been \$2 to \$2 $\frac{1}{2}$ billion the last few years, would have been substantially worse and a much more serious outflow of gold would have resulted.

Exports of cotton average approximately 6 million bales per year during the period 1956-60. Since that time, exports have only averaged 4 $\frac{1}{2}$ million bales per year. Had exports been maintained at the 1956-60 level, there would be no cotton problem today.

Title IV of H.R. 9811 represents a radical departure from accepted concepts of agricultural adjustment programs which have utilized nonrecourse CCC loans, acreage controls, and marketing quotas to adjust cotton supplies and to permit the orderly marketing of the cotton crop. In contrast, compensatory payments and diversion payments are to be used to supplement a world price loan. The price support level for 1966 would be 21 cents per pound, middling-inch,

average location. For 1967, 1968, and 1969, the price support level would be 90 percent of the world price. This would mean that the actual price of cotton would be around 21 cents per pound next year in country markets, with prospects for even lower prices in the future. The fact that farmers would have to sell their crop or wait until taken over by the CCC for full payment, would serve as a further market depressant.

Each cotton farmer would be required to reduce acreage at least 15 percent in order to participate in the program. An additional 20-percent reduction would be made on a voluntary basis; however, compensatory payments and diversion payments *are scaled to attract maximum participation*. Land taken out of production would have to be devoted to approved conservation practices. U.S. farmers would again be called upon to make the supply adjustment for the entire world. It should be noted that cotton acreage has been reduced from 26 million acres in 1953 to 16.2 million acres in 1965. At the same time, U.S. Government action has encouraged expansion of foreign acreage.

The adoption of title IV would mean that participating cotton farmers would receive a high percentage of their income in the form of direct Government payments. While the Secretary of Agriculture has said that every effort would be made to avoid limitations on such payments, the history of payment-type programs clearly indicates that limitations will be imposed in future years, since there is no way that one Congress can bind action of another Congress. Also, production financing would be made most difficult, with arrangements for financing being made by farmers in the fall and winter and Appropriations Committee actions by the Congress usually taking place during the late summer of the following year. Many production credit agencies have voiced grave concern about the bill and its effect on crop financing.

Other features of the bill would severely curtail the effectiveness of the acreage release and reapportionment program. These provisions, together with the cropland adjustment section of H.R. 9811, which permits long-term retirement of cotton acreage, would seriously affect the economies of many areas and of many farmers.

The bill would also permit any producer, both old and new, to stay out of the program and plant cotton on an unlimited basis without penalties. Cotton so produced would be sold at free market prices. With current levels of technology and with prices of production items at high levels, only those farmers in high production areas could afford to produce on a free market basis.

Title IV would have a devastating effect on the entire economic community in cotton-producing areas. Especially hard hit would be farm equipment dealers, fuel, seed, fertilizer, and farm chemical dealers, gins, oil mills, warehouses, etc. Bank deposits will suffer and land values will decline.

In the formulation of the cotton section of H.R. 9811, the continuous appeals of grower groups representing cotton farmers from all parts of the belt were completely disregarded. Numerous alternative approaches were presented, but to no avail. Cotton farmers are willing to make needed adjustments, but are strongly opposed to the

approach that is embodied in title IV. This legislation will greatly reduce farm income and seriously impair the economy wherever cotton is grown. It sets the stage for the liquidation of the cotton industry as a major segment of the Nation's economy and will create new pockets of poverty in many areas.

E. C. GATHINGS.

THOMAS G. ABERNETHY.



Large of potatoes & ground of the whole world

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1877

Received of the Treasurer of the
Board of Education the sum of \$100.00

for the purchase of books
for the library

Witness my hand and seal this 1st day of
January 1877
George W. T. Smith, Treasurer

Attest: My hand and seal this 1st day of January 1877

89TH CONGRESS
1ST SESSION

H. R. 9811

[Report No. 631]

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1965

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

JULY 20, 1965

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Food and Agriculture
4 Act of 1965".

TITLE I—DAIRY

5 SEC. 101. The Agricultural Adjustment Act, as reen-
6 acted and amended by the Agricultural Marketing Agree-
7 ment Act of 1937, as amended, is further amended by strik-

1 ing in subparagraph (B) of subsection 8c(5) all of clause
2 (d) and inserting in lieu thereof a new clause (d) to read
3 as follows:

4 “(d) a further adjustment, equitably to apportion
5 the total value of the milk purchased by any handler, or
6 by all handlers, among producers and associations of
7 producers, on the basis of their marketings of milk, which
8 may be adjusted to reflect sales of such milk by any
9 handler or by all handlers in any use classification or
10 classifications, during a representative period of time
11 which need not be limited to one year. In the event a
12 producer holding a base allocated under this clause (d)
13 shall reduce his marketings, such reduction shall not
14 adversely affect his history of production and marketing
15 for the determination of future bases. Allocations to
16 producers under this clause (d) may be transferable un-
17 der an order on such terms and conditions as may be pre-
18 scribed if the Secretary of Agriculture determines that
19 transferability will be in the best interest of the public,
20 existing producers, and prospective new producers. Any
21 increase in class one base resulting from enlarged or in-
22 creased consumption and any producer class one bases
23 forfeited or surrendered shall first be made available to
24 new producers and to the alleviation of hardship and
25 inequity among producers.”;

1 and by adding at the end of said subparagraph (B) the fol-
2 lowing: "Notwithstanding the provisions of section 8c(12)
3 and the last sentence of section 8c(19) of this Act, order
4 provisions under (d) above shall not become effective in
5 any marketing order unless separately approved by producers
6 in a referendum in which each individual producer shall have
7 one vote and may be terminated separately whenever the
8 Secretary makes a determination with respect to such pro-
9 visions as is provided for the termination of an order in
10 subparagraph 8c(16) (B). Disapproval or termination of
11 such order provisions shall not be considered disapproval
12 of the order or of other terms of the order."

13 SEC. 102. Such Act is further amended (a) by adding to
14 subsection 8c(5) the following new paragraph: "(H) Mar-
15 keting orders applicable to milk and its products may be
16 limited in application to milk used for manufacturing."; and
17 (b) by amending subsection 8c(18) by adding after the
18 words "marketing area" wherever they occur the words "or,
19 in the case of orders applying only to manufacturing milk,
20 the production area".

21 SEC. 103. The provisions of this title shall not be effec-
22 tive after December 31, 1969.

23 SEC. 104. The legal status of producer handlers of milk
24 under the provisions of the Agricultural Adjustment Act,
25 as reenacted and amended by the Agricultural Marketing

1 Agreement Act of 1937, as amended, shall be the same sub-
2 sequent to the adoption of the amendments made by this
3 ~~Act~~ *title* as it was prior thereto.

4 TITLE II—WOOL

5 SEC. 201. In section 703 of the National Wool Act of
6 1954, as amended (68 Stat. 910, 72 Stat. 994, 75 Stat.
7 306), the second sentence is amended to read as follows:
8 “Such price support shall be limited to wool and mohair
9 marketed during the period beginning April 1, 1955, and
10 ending December 31, 1969.”

11 SEC. 202. In section 703 of the National Wool Act of
12 1954, as amended, the proviso at the end of the third sen-
13 tence is amended to read as follows: “*Provided*, That the
14 support price for shorn wool shall not exceed 110 per centum
15 of the parity price therefor nor shall be lower than 77 per
16 centum of the parity price therefor.”

17 SEC. 203. In section 703 of the National Wool Act of
18 1954, as amended, the fourth sentence is amended to read as
19 follows: “If the support price so determined does not exceed
20 90 per centum of the parity price for shorn wool, the support
21 price for shorn wool shall be at such level, not in excess of
22 90 per centum nor less than 77 per centum of the parity
23 price therefor, as the Secretary determines necessary in order
24 to encourage an annual production of approximately three
25 hundred and sixty million pounds of shorn wool.”

TITLE III—FEED GRAINS

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e) :

“(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16 (i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average

1 acreage devoted on the farm to corn and grain sorghums in
2 1959 and 1960, and does not devote any acreage devoted to
3 the production of oats and rye in 1959 and 1960 to the
4 production of wheat pursuant to the provisions of section
5 328 of the Food and Agriculture Act of 1962. In addition
6 to price support provided under subsections (a) and (b)
7 of this section, which shall be made available through loans
8 and purchases, for any feed grain included in the acreage
9 diversion program, a payment-in-kind may be made avail-
10 able to producers in such amount or amounts as the Secre-
11 tary determines desirable to assure that the benefits of the
12 price support and diversion programs inure primarily to
13 those producers who cooperate in reducing their acreages
14 of feed grains, and to take into account the extent of partici-
15 pation by the producer. Such payments-in-kind shall be
16 made on such part of the acreage of such feed grain planted
17 on the farm for harvest as the Secretary determines desirable
18 to effectuate the purposes of the program: *Provided*, That
19 for purposes of such payments, the Secretary may permit
20 producers of feed grains to have acreage devoted to soybeans
21 considered as devoted to the production of feed grains to
22 such extent and subject to such terms and conditions as the
23 Secretary determines will not impair the effective operation
24 of the price support program. An acreage on the farm
25 which the Secretary finds was not planted to feed grains be-

1 cause of drought, flood, or other natural disaster shall be
2 deemed to be an actual acreage of feed grains planted for
3 harvest for purposes of such payments. The Secretary may
4 make not to exceed 50 per centum of any payments here-
5 under to producers in advance of determination of perform-
6 ance. Payments-in-kind shall be made through the issuance
7 of negotiable certificates which the Commodity Credit Cor-
8 poration shall redeem for feed grains (such feed grains to
9 be valued by the Secretary at not less than the current sup-
10 port price made available through loans and purchases, plus
11 reasonable carrying charges) in accordance with regulations
12 prescribed by the Secretary and, notwithstanding any other
13 provision of law, the Commodity Credit Corporation shall,
14 in accordance with regulations prescribed by the Secretary,
15 assist the producer in the marketing of such certificates. The
16 Secretary shall provide for the sharing of such certificates
17 among producers on the farm on a fair and equitable basis.
18 If the operator of the farm elects to participate in the acreage
19 diversion program, price support for feed grains included in
20 the program shall be made available to the producers on
21 such farm only if such producers divert from the production
22 of such feed grains, in accordance with the provisions of
23 such program, an acreage on the farm equal to the number of
24 acres which such operator agrees to divert, and the agree-
25 ment shall so provide. Notwithstanding any other provision

1 of law, payments-in-kind under this subsection (e) and sub-
2 section (d) of this section may be adjusted by the Secretary
3 for failure of a producer to comply fully with the terms and
4 conditions of the programs formulated under such subsec-
5 tions and section 16 of the Soil Conservation and Domestic
6 Allotment Act, as amended.”

7 SEC. 302. Section 16 of the Soil Conservation and
8 Domestic Allotment Act, as amended, is amended by adding
9 the following new subsection:

10 “(i) Notwithstanding any other provision of law—

11 “(1) For the 1966 through 1969 crops of feed
12 grains, if the Secretary determines that the total supply
13 of feed grains will, in the absence of an acreage diver-
14 sion program, likely be excessive, taking into account
15 the need for an adequate carryover to maintain reason-
16 able and stable supplies and prices of feed grains and
17 to meet any national emergency, he may formulate and
18 carry out an acreage diversion program for feed grains,
19 without regard to provisions which would be applicable
20 to the regular agricultural conservation program, under
21 which, subject to such terms and conditions as the Secre-
22 tary determines, conservation payments shall be made to
23 producers who divert ~~average~~ *acreage* from the production
24 of feed grains to an approved conservation use and in-
25 crease their average acreage of cropland devoted in 1959

1 and 1960 to designated soil-conserving crops or practices
2 including summer fallow and idle land by an equal
3 amount. Payments shall be made at such rate or rates
4 as the Secretary determines will provide producers with
5 a fair and reasonable return for the acreage diverted, not
6 in excess of 50 per centum of the estimated basic county
7 support rate, including the lowest rate of payment-in-
8 kind in effect. Notwithstanding the foregoing provisions,
9 the Secretary may permit all or any part of such diverted
10 acreage to be devoted to the production of guar, sesame,
11 safflower, sunflower, castor beans, mustard seed, and
12 flax, if he determines that such production of the com-
13 modity is needed to provide an adequate supply, is
14 not likely to increase the cost of the price support pro-
15 gram, and will not adversely affect farm income subject
16 to the condition that payment with respect to diverted
17 acreage devoted to any such crop shall be at a rate
18 determined by the Secretary to be fair and reasonable,
19 taking into consideration the use of such acreage for
20 the production of such crops, but in no event shall the
21 payment exceed one-half the rate which otherwise would
22 be applicable if such acreage were devoted to conserva-
23 tion uses. The term 'feed grains' means corn, grain
24 sorghums, and, if designated by the Secretary, barley,

1 and if for any crop the producer so requests for pur-
2 poses of having acreage devoted to the production of
3 wheat considered as devoted to the production of feed
4 grains, pursuant to the provisions of section 328 of the
5 Food and Agriculture Act of 1962, the term 'feed
6 grains' shall include oats and rye: *Provided*, That
7 acreages of corn, grain sorghums, and, if designated
8 by the Secretary, barley, shall not be planted in lieu of
9 acreages of oats and rye: *Provided further*, That the
10 acreage devoted to the production of wheat shall not be
11 considered as an acreage of feed grains for purposes of
12 establishing the feed grain base acreage for the farm
13 for subsequent crops. Such feed grain diversion pro-
14 gram shall require the producer to take such measures
15 as the Secretary may deem appropriate to keep such di-
16 verted acreage free from erosion, insects, weeds, and
17 rodents. The acreage eligible for participation in the
18 program shall be such acreage (not to exceed 50 per
19 centum of the average acreage on the farm devoted to
20 feed grains in the crop years 1959 and 1960 or twenty-
21 five acres, whichever is greater) as the Secretary de-
22 termines necessary to achieve the acreage reduction
23 goal for the crop. Payments shall be made in kind.
24 The acreage of wheat produced on the farm during the
25 crop years 1959, 1960, and 1961, pursuant to the

1 exemption provided in section 335 (f) of the Agricul-
2 tural Adjustment Act of 1938, as amended, prior to its
3 repeal by the Food and Agriculture Act of 1962, in
4 excess of the small farm base acreage for wheat estab-
5 lished under section 335 of the Agricultural Adjustment
6 Act of 1938, as amended, may be taken into considera-
7 tion in establishing the feed grain base acreage for the
8 farm. The Secretary may make such adjustments in
9 acreage as he determines necessary to correct for ab-
10 normal factors affecting production, and to give due
11 consideration to tillable acreage, crop-rotation practices,
12 types of soil, soil and water conservation measures, and
13 topography. Notwithstanding any other provision of
14 this subsection (i) (1), the Secretary may, upon unan-
15 imous request of the State committee established pur-
16 suant to section 8 (b) of the Soil Conservation and
17 Domestic Allotment Act, as amended, adjust the feed
18 grain bases for farms within any State or county to
19 the extent he determines such adjustment to be necessary
20 in order to establish fair and equitable feed grain bases
21 for farms within such State or county. The Secretary
22 may make not to exceed 50 per centum of any payments
23 to producers in advance of determination of performance.
24 Notwithstanding any other provision of this subsection,
25 barley shall not be included in the program for a pro-

1 ducer of malting barley exempted pursuant to section
2 105 (e) of the Agricultural Act of 1949, who partici-
3 pates only with respect to corn and grain sorghums and
4 does not knowingly devote an acreage on the farm
5 to barley in excess of 110 per centum of the average
6 acreage devoted on the farm to barley in 1959 and 1960.

7 “(2) Notwithstanding any other provision of this
8 subsection, not to exceed 1 per centum of the estimated
9 total feed grain bases for all farms in a State for any year
10 may be reserved from the feed grain bases established for
11 farms in the State for apportionment to farms on which
12 there were no acreages devoted to feed grains in the crop
13 years 1959 and 1960 on the basis of the following fac-
14 tors: Suitability of the land for the production of feed
15 grains, the past experience of the farm operator in the
16 production of feed grains, the extent to which the farm
17 operator is dependent on income from farming for his
18 livelihood, the production of feed grains on other farms
19 owned, operated, or controlled by the farm operator, and
20 such other factors as the Secretary determines should be
21 considered for the purpose of establishing fair and equi-
22 table feed grain bases. An acreage equal to the feed
23 grain base so established for each farm shall be deemed to
24 have been devoted to feed grains on the farm in each of
25 the crop years 1959 and 1960 for purposes of this sub-

1 section except that producers on such farm shall not be
2 eligible for conservation payments for the first year for
3 which the feed grain base is established.

4 “(3) There are hereby authorized to be appropri-
5 ated such amounts as may be necessary to enable the
6 Secretary to carry out this section 16 (i) .

7 “(4) The Secretary shall provide by regulations for
8 the sharing of payments under this subsection among
9 producers on the farm on a fair and equitable basis and
10 in keeping with existing contracts.

11 “(5) Payments in kind shall be made through the
12 issuance of negotiable certificates which the Commodity
13 Credit Corporation shall redeem for feed grains in
14 accordance with regulations prescribed by the Secretary
15 and, notwithstanding any other provision of law, the
16 Commodity Credit Corporation shall, in accordance with
17 regulations prescribed by the Secretary, assist the pro-
18 ducer in the marketing of such certificates. Feed grains
19 with which Commodity Credit Corporation redeems cer-
20 tificates pursuant to this paragraph shall be valued at
21 not less than the current support price made available
22 through loans and purchases, plus reasonable carrying
23 charges.

24 “(6) Notwithstanding any other provision of law,
25 the Secretary may, by mutual agreement with the pro-

1 ducer, terminate or modify any agreement previously
2 entered into pursuant to this subsection if he determines
3 such action necessary because of an emergency created
4 by drought or other disaster, or in order to prevent or
5 alleviate a shortage in the supply of feed grains.”

6 SEC. 303. Section 326 of the Food and Agriculture Act
7 of 1962, as amended, is amended by deleting the language
8 beginning with "the requirements" and ending with "Agri-
9 cultural Act of 1961, and" and substituting therefor "the
10 requirements of any program under which price support is
11 extended or payments are made to farmers, and price support
12 may be extended or".

13 TITLE IV—COTTON

14 SEC. 401. The Agricultural Adjustment Act of 1938, as
15 amended, is amended as follows:

(1) Section 348 of the Act is amended by adding the following new ~~sentence~~ *sentences* at the end thereof: "The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to the 1966 crop cotton."

(2) Subsection (m) (2) of section 344 of the ~~Agri-~~
cultural Adjustment Act of 1938, as amended, *Act* is amended

1 by changing the period at the end of the second sentence
2 thereof to a colon and adding the following: "*Provided, That*
3 for the 1966, 1967, 1968, and 1969 crops of upland cotton,
4 no such released acreage shall be surrendered to the State
5 committee."

6 (3) Section 346 of the Act is amended by adding at
7 the end thereof a new subsection as follows:

8 "(e) Notwithstanding any other provision of this Act,
9 for the 1966, 1967, 1968, and 1969 crops of upland cotton, if
10 the farm operator elects to ~~forgo~~ forego price support for any
11 such crop of cotton by planting in excess of the farm acreage
12 allotment established under section 344 or planting cotton on
13 a farm for which no allotment was established for such crop,
14 all cotton of such crop produced on the farm may be mar-
15 keted free of any penalty under this section. Acreage
16 planted to cotton in excess of the farm acreage allotment
17 established under section 344 shall not be taken into account
18 in establishing future State, county, and farm acreage
19 allotments."

20 (4) Section 350 of the Act is amended, effective with
21 the 1966 crop, to read as follows:

22 "SEC. 350. In order to afford producers an opportunity
23 to participate in a program of reduced acreage and higher
24 price support, as provided in section 103 (d) of the Agri-

1 cultural Act of 1949, as amended, the Secretary shall deter-
2 mine a national domestic allotment for the 1966, 1967, 1968,
3 and 1969 crops of upland cotton equal to the estimated do-
4 mestic consumption of upland cotton (standard bales of
5 four hundred and eighty pounds net weight) for the mar-
6 keting year beginning in the year in which the crop is to
7 be produced. The Secretary shall determine a farm domestic
8 acreage allotment percentage for each such year by dividing
9 (1) the national domestic allotment (in net weight pounds)
10 by (2) the total for all States of the product of the State
11 acreage allotment and the projected State yield: *Provided*,
12 That no farm domestic acreage allotment shall be less than
13 65 per centum of such farm acreage allotment. The farm
14 domestic acreage allotment shall be established by multiply-
15 ing the farm acreage allotment established under section 344
16 by the farm domestic acreage allotment percentage. Such
17 national domestic allotment shall be determined not later
18 than October 15 of the calendar year preceding the year in
19 which the crop is to be produced.”

20 SEC. 402. Section 103 of the Agricultural Act of 1949,
21 as amended, is amended by adding the following new sub-
22 section at the end thereof:

23 “(d) (1) Notwithstanding any other provision of this
24 Act, if producers have not disapproved marketing quotas,
25 price support shall be made available for the 1966, 1967,

1 1968, and 1969 crops of upland cotton as provided in this
2 subsection.

3 “(2) Price support for each such crop of upland cotton
4 shall be made available to cooperators through loans at such
5 level, not exceeding 90 per centum of the estimated average
6 world market price for Middling one-inch upland cotton at
7 average location in the United States for the marketing year
8 for such crop, as the Secretary determines will provide
9 orderly marketing of cotton during the harvest season and
10 will retain an adequate share of the world market for cotton
11 produced in the United States taking into consideration the
12 factors specified in section 401 (b) of this Act: *Provided*,
13 That the national average loan rate for the 1966 crop shall
14 reflect 21 cents per pound for Middling one-inch upland
15 cotton.

16 “(3) The Secretary also shall provide price support
17 through payments in cash or in kind to cooperators who
18 participate in a cotton acreage reduction program ~~to the~~
19 ~~extent prescribed by the Secretary~~ *as provided in this sub-*
20 *section: Provided*, That the total of the national average loan
21 rate for any crop under paragraph (2) and the rate at which
22 payments are made under this paragraph shall not be less
23 than 65 per centum or more than 90 per centum of the parity
24 price for cotton. Such payments shall be made on the quan-

1 tity of cotton determined by multiplying the acreage planted
2 to cotton within the farm domestic acreage allotment by the
3 projected farm yield: *Provided*, That any such farm planting
4 not less than 90 per centum of such allotment shall be deemed
5 to have planted the entire amount of such allotment.

6 “(4) The Secretary shall provide price support pay-
7 ments in addition to the payments authorized in paragraph
8 (3) to cooperators, other than cooperators on farms re-
9 ceiving reapportioned acreage under section 344 (m) (2)
10 of the Agricultural Adjustment Act of 1938, as amended,
11 who divert from the production of cotton to approved con-
12 servation practices to the extent prescribed by the Secretary:
13 *Provided*, That such diversion shall not exceed 35 per
14 centum of the farm acreage allotment established under
15 section 344 of the Agricultural Adjustment Act of 1938,
16 as amended. Such payments shall be made on the quantity
17 of cotton determined by multiplying the acreage planted to
18 cotton within the farm domestic acreage allotment by the
19 projected farm yield.

20 “(5) The combined rates of the payments under para-
21 graphs (3) and (4) for the 1966 crop shall be as follows:

22 “(A) For farms on which the acreage planted
23 to cotton does not exceed the farm domestic acreage
24 allotment, an amount equal to 69.8 per centum of the
25 basic level of support established under paragraph (2).

1 “(B) For farms on which the acreage planted to
2 cotton exceeds the farm domestic acreage allotment
3 by not more than 15.4 per centum, an amount equal
4 to 62.1 per centum of the basic level of support estab-
5 lished under paragraph (2).

6 “(C) For farms on which the acreage planted to
7 cotton exceeds the farm domestic acreage allotment by
8 more than 15.4 per centum but by not more than 30.8
9 per centum, an amount equal to 54.4 per centum of the
10 basic level of support established under paragraph (2).

11 “The Secretary may make not to exceed 50 per
12 centum of the payments under this subsection to pro-
13 ducers in advance of determination of performance.

14 “(6) Where the farm operator elects to participate in
15 the acreage reduction program authorized in this subsection
16 and no acreage is planted to cotton on the farm, price sup-
17 port payments shall be made at a rate equal to 50 per centum
18 of the national average loan rate established under paragraph
19 (2) on the quantity of cotton determined by multiplying 15
20 per centum of the farm acreage allotment by the projected
21 farm yield, and the remainder of such allotment may be re-
22 leased under the provisions of section 344(m) (2) of the
23 Agricultural Adjustment Act of 1938, as amended. The
24 acreage on which payment is made under this paragraph
25 shall be regarded as planted to cotton for purposes of estab-

1 lishing future State, county, and farm acreage allotments and
2 farm bases.

3 “(7) Additional price support provided under this sub-
4 section by payments-in-kind shall be made through the
5 issuance of certificates which the Commodity Credit Corpora-
6 tion shall redeem under regulations issued by the Secretary
7 for cotton valued at not less than the loan rate therefor.
8 The Corporation may, under regulations prescribed by the
9 Secretary, assist the producers in the marketing of such
10 certificates at such times and in such manner as the Secre-
11 tary determines will best effectuate the purposes of the
12 program authorized by this subsection.

13 “(8) Payments under this subsection with respect to
14 any farm shall be conditioned on the farm having an acreage
15 of approved conservation uses equal to the sum of (i) the
16 reduction in cotton acreage required to qualify for such
17 payments under this subsection and (ii) the average acre-
18 age of cropland on the farm devoted to designated soil-con-
19 serving crops or practices, including summer fallow and
20 idle land, during a base period prescribed by the Secretary:
21 *Provided*, That the Secretary may permit all or any part
22 of such reduced acreage to be devoted to the production of
23 guar, safflower, sunflower, castor beans, mustard seed, and
24 flax, if he determines that such production is necessary to
25 provide an adequate supply of such commodities, is not likely

1 to increase the cost of the price support program, and will
2 not adversely affect farm income.

3 “(9) The acreage regarded as planted to cotton on any
4 farm which qualifies for payment under this subsection except
5 under paragraph (6) shall, for purposes of establishing future
6 State, county, and farm acreage allotments and farm bases,
7 be the farm acreage allotment established under section 344
8 of the Agricultural Adjustment Act of 1938, as amended,
9 excluding adjustments under subsection (m) (2) thereof.

10 “(10) The Secretary shall provide adequate safeguards
11 to protect the interests of tenants and sharecroppers, includ-
12 ing provision for sharing on a fair and equitable basis in price
13 support under this subsection.

14 “(11) Notwithstanding any other provision of this
15 section, the amount of price support payments made with
16 respect to any farm may be adjusted for failure to comply
17 fully with the terms and conditions of the program formu-
18 lated pursuant to this subsection.

19 “(12) Notwithstanding any other provision of this Act,
20 if, as a result of limitations hereafter enacted with respect
21 to price support under this subsection, the Secretary is unable
22 to make available to all cooperators the full amount of
23 combined price support to which they would otherwise be
24 entitled under paragraphs (2) and (3) of this subsection for

1 any crop of upland cotton, (A) price support to cooperators
2 shall be made available for such crop (if marketing quotas
3 have not been disapproved) through loans or purchases at
4 such level not less than 65 per centum nor more than 90 per
5 centum of the parity price therefor as the Secretary deter-
6 mines appropriate; (B) in order to keep upland cotton to
7 the maximum extent practicable in the normal channels of
8 trade, such price support may be carried out through the
9 simultaneous purchase of cotton at the support price there-
10 for and resale at a lower price or through loans under
11 which the cotton would be redeemable by payment of a
12 price therefor lower than the amount of the loan thereon;
13 and (C) such resale or redemption price shall be such
14 as the Secretary determines will provide orderly market-
15 ing of cotton during the harvest season and will retain an
16 adequate share of the world market for cotton produced in
17 the United States.

18 “(13) Section 408 (b) of the Agricultural Act of 1949,
19 as amended, is amended by changing the period at the end
20 of the first sentence thereof to a colon and adding the fol-
21 lowing: ‘*Provided*, That for the 1966, 1967, 1968, and
22 1969 crops of upland cotton a cooperator shall be a producer
23 on whose farm the acreage planted to cotton does not exceed
24 85 per centum of such farm acreage allotment’.

25 “(14) The provisions of subsection 8 (g) of the Soil

1 Conservation and Domestic Allotment Act, as amended,
2 (relating to assignment of payments) shall also apply to
3 payments under this subsection.”

4 SEC. 403. Section 301 of the Agricultural Adjustment
5 Act of 1938, as amended, is amended by adding the follow-
6 ing new subparagraphs to paragraph (13) of subsection (b) :

7 “(L) ‘Projected National, State, and county yields’
8 for any crop of cotton shall be determined on the basis of the
9 yield per harvested acre of such crop in the United States,
10 the State and the county, respectively, during each of the
11 five calendar years immediately preceding the year in which
12 such projected yield for the United States, the State, and the
13 county, respectively, is determined, adjusted for abnormal
14 weather conditions affecting such yield, for trends in yields,
15 and for any significant changes in production practices.

16 “(M) ‘Projected farm yield’ for any crop of cotton shall
17 be determined on the basis of the yield per harvested acre
18 of such crop on the farm during each of the three calendar
19 years immediately preceding the year in which such pro-
20 jected farm yield is determined, adjusted for abnormal
21 weather conditions affecting such yield, for trends in yields,
22 and for any significant changes in production practices, but
23 in no event shall such projected farm yield be less than the
24 normal yield for such farm as provided in subparagraph (I)
25 of this paragraph.”

1 SEC. 404. Section 407 of the Agricultural Act of 1949,
2 as amended, is amended by adding at the end thereof the fol-
3 lowing: "Notwithstanding any other provision of this sec-
4 tion, for the period August 1, 1966, through July 31, 1970,
5 (1) the Commodity Credit Corporation shall sell upland
6 cotton for unrestricted use at the same prices as it sells cotton
7 for export, in no event, however, at less than 110 per centum
8 of the loan rate, and (2) the Commodity Credit Corporation
9 shall sell or make available for unrestricted use at current
10 market prices in each marketing year a quantity of upland
11 cotton equal to the amount by which the production of up-
12 land cotton is less than the estimated requirements for domes-
13 tic use and for export for such marketing year. The Secre-
14 tary may make such estimates and adjustments therein at
15 such times as he determines will best effectuate the pro-
16 visions of part (2) of the foregoing sentence and such quan-
17 tities of cotton as are required to be sold under such sen-
18 tence shall be offered for sale in an orderly manner and so
19 as not to affect market prices unduly."

20 SEC. 405. *The Agricultural Adjustment Act of 1938, as*
21 *amended, is amended by adding after section 344 the follow-*
22 *ing new section:*

23 "SEC. 344a. (a) Notwithstanding any other provision of
24 law, the Secretary, if he determines that it will not impair
25 the effective operation of the program involved, (1) may

1 permit the owner and operator of any farm for which a
2 cotton acreage allotment is established to sell or lease all or
3 any part or the right to all or any part of such allotment
4 (excluding that part of the allotment which the Secretary
5 determines was apportioned to the farm from the national
6 acreage reserve) to any other owner or operator of a farm
7 for transfer to such farm; (2) may permit the owner of a
8 farm to transfer all or any part of such allotment to any other
9 farm owned by him.

10 “(b) Transfers under this section shall be subject to the
11 following conditions: (i) no allotment shall be transferred to
12 a farm in another State or to a person for use in another
13 State; (ii) no farm allotment may be sold or leased for
14 transfer to a farm in another county unless the producers
15 of cotton in the county from which transfer is being made
16 have voted in a referendum within three years of the date of
17 such transfer, by a two-thirds majority of the producers par-
18 ticipating in such referendum, to permit the transfer of allot-
19 ments to farms outside the county, which referendum, insofar
20 as practicable, shall be held in conjunction with the market-
21 ing quota referendum for the commodity; (iii) no transfer
22 of an allotment from a farm subject to a mortgage or
23 other lien shall be permitted unless the transfer is agreed
24 to by the lienholder; (iv) no sale of a farm allotment shall

1 be permitted if any sale of cotton allotment to the same farm
2 has been made within the three immediately preceding crop
3 years; (v) the total cotton allotment for any farm to which
4 allotment is transferred shall not exceed 150 per centum of
5 the average size of the farm acreage allotments for cotton in
6 the State or one hundred acres, whichever is greater, and no
7 transfer of a farm allotment hereunder shall result in a total
8 of allotments for all commodities for the farm which exceeds
9 75 per centum of the farm cropland; (vi) no cotton in excess
10 of the remaining acreage allotment on the farm shall be
11 planted on any farm from which the allotment (or part of
12 an allotment) is sold for a period of five years following
13 such sale, nor shall any cotton in excess of the remaining
14 acreage allotment on the farm be planted on any farm from
15 which the allotment (or part of an allotment) is leased
16 during the period of such lease, and the producer on such
17 farm shall so agree as a condition precedent to the Secre-
18 tary's approval of any such sale or lease; and (vii) no trans-
19 fer of allotment shall be effective until a record thereof is
20 filed with the county committee of the county to which such
21 transfer is made and such committee determines that the
22 transfer complies with the provisions of this section.

23 “(c) The transfer of an allotment shall have the effect of
24 transferring also the acreage history, farm base, and mar-
25 keting quota attributable to such allotment and if the transfer

1 is made prior to the determination of the allotment for any
2 year the transfer shall include the right of the owner or
3 operator to have an allotment determined for the farm for
4 such year: *Provided*, That in the case of a transfer by lease,
5 the amount of the allotment shall be considered for purposes
6 of determining allotments after the expiration of the lease
7 to have been planted on the farm from which such allot-
8 ment is transferred.

9 “(d) The land in the farm from which the entire cotton
10 allotment and acreage history have been transferred shall not
11 be eligible for a new farm cotton allotment during the five
12 years following the year in which such transfer is made.

13 “(e) The transfer of a portion of a farm allotment which
14 was established under minimum farm allotment provisions for
15 cotton or which ~~operate~~ *operates* to bring the farm within the
16 minimum farm allotment provision for cotton shall cause the
17 minimum farm allotment or base to be reduced to an amount
18 equal to the allotment remaining on the farm after such
19 transfer.

20 “(f) The Secretary shall prescribe regulations for the
21 administration of this section, which shall include provisions
22 for adjusting the size of the allotment transferred if the farm
23 to which the allotment is transferred has a substantially

1 higher yield per acre and such other terms and conditions as
2 he deems necessary.

3 “(g) If the sale or lease occurs during a period in which
4 the farm is covered by a conservation reserve contract, crop-
5 land conversion agreement, or other similar land utilization
6 agreement, the rates of payment provided for in the contract
7 or agreement of the farm from which the transfer is made
8 shall be subject to an appropriate adjustment, but no adjust-
9 ment shall be made in the contract or agreement of the farm
10 to which the allotment is transferred.

11 “(h) The Secretary shall by regulations authorize the
12 exchange between farms in the same county, or between
13 farms in adjoining counties within a State, of cotton acreage
14 allotment for rice acreage allotment. Any such exchange
15 shall be made on the basis of application filed with the
16 county committee by the owners and operators of the farms,
17 and the transfer of allotment between the farms shall include
18 transfer of the related acreage history for the commodity.
19 The exchange shall be acre for acre or on such other basis
20 as the Secretary determines is fair and reasonable, taking
21 into consideration the comparative productivity of the soil
22 for the farms involved and other relevant factors. No farm
23 from which the entire cotton or rice allotment has been
24 transferred shall be eligible for an allotment of cotton or rice

1 as a new farm within a period of five crop years after the
2 date of such exchange.

3 “(i) The provisions of this section relating to cotton shall
4 apply only to upland cotton.”

5 SEC. 406. The Secretary may, to the extent he deems
6 it desirable, provide by appropriate regulations for surrender
7 of cotton allotment and acreage history applicable to acre-
8 age diverted from the production of cotton under the crop-
9 land adjustment program. No cotton in excess of the re-
10 maining acreage allotment on the farm shall be planted for
11 the five succeeding crop years on any farm which all or part
12 of the allotment has been surrendered. Any cotton allot-
13 ment or acreage history surrendered pursuant to the fore-
14 going authority shall be held in reserve in establishing
15 future national, State, county, and farm cotton acreage allot-
16 ments and bases. The Secretary is authorized to increase by
17 not more than 25 per centum the rate or rates of annual
18 payments to be made to producers under such program who
19 surrender cotton acreage and allotment history pursuant to
20 the authority of this section. In carrying out the provisions
21 of this section, the Secretary may use Commodity Credit
22 Corporation stocks and funds for effectuating payment to
23 producers.

1 TITLE V—WHEAT

2 SEC. 501. Effective beginning with the crop planted for
3 harvest in the calendar year 1966, the Agricultural Adjust-
4 ment Act of 1938, as amended, is amended as follows:

5 (1) Section 332 is amended by changing item (iv) in
6 subsection (b) to read: "will be utilized during such market-
7 ing year in the United States as livestock (including poul-
8 try) feed, excluding the estimated quantity of wheat which
9 will be utilized for such purpose as a result of the substitution
10 of wheat for feed grains under section 328 of the Food and
11 Agriculture Act of 1962" and by adding the following new
12 subsection:

13 "(d) Notwithstanding any other provision of this Act,
14 the Secretary shall not proclaim a national marketing quota
15 for the crops of wheat planted for harvest in the calendar
16 years 1966 through 1969, and farm marketing quotas shall
17 not be in effect for such crops of wheat."

18 (2) Section 333 is amended to read as follows: "The
19 Secretary shall proclaim a national acreage allotment for each
20 crop of wheat. The amount of the national acreage allot-
21 ment for any crop of wheat shall be the number of acres
22 which the Secretary determines on the basis of the projected
23 national yield and expected underplantings (acreage other
24 than that not harvested because of program incentives) of
25 farm acreage allotments will produce an amount of wheat

1 equal to the national marketing quota for wheat for the
2 marketing year for such crop, or if a national marketing
3 quota was not proclaimed, the quota which would have
4 been determined if one had been proclaimed. The Secretary
5 may, in his discretion, adjust such national acreage allotment
6 as he determines necessary to assure the maintenance of
7 adequate but not excessive stocks in the United States.

8 (3) Subsection (a) of section 334 is amended to read
9 as follows:

10 “(a) The national allotment for wheat, less a reserve of
11 not to exceed 1 per centum thereof for apportionment as
12 provided in this subsection and less the special acreage re-
13 serve provided for in this subsection, shall be apportioned by
14 the Secretary among the States on the basis of the preceding
15 year's allotment for each such State, including for 1966 the
16 increased acreage in the State allotted for 1965 under section
17 335, adjusted to the extent deemed necessary by the Secre-
18 tary to establish a fair and equitable apportionment base for
19 each State, taking into consideration established crop rota-
20 tion practices, estimated decrease in farm allotments because
21 of loss of history, and other relevant factors. The reserve
22 acreage set aside herein for apportionment by the Secretary
23 shall be used to make allotments to counties in addition to
24 the county allotments made under subsection (b) of this
25 section, on the basis of the relative needs of counties for addi-

1 tional allotments because of reclamation and other new areas
2 coming into production of wheat. There also shall be made
3 available a special acreage reserve of not in excess of one
4 million acres as determined by the Secretary to be desirable
5 for the purposes hereof which shall be in addition to the na-
6 tional acreage reserve provided for in this subsection. Such
7 special acreage reserve shall be made available to the States
8 to make additional allotments to counties on the basis of the
9 relative needs of counties, as determined by the Secretary,
10 for additional allotments to make adjustments in the allot-
11 ments on old wheat farms (that is, farms on which wheat has
12 been seeded or regarded as seeded to one or more of the
13 three crops immediately preceding the crop for which the
14 allotment is established) on which the ratio of wheat acreage
15 allotment to cropland on the farm is less than one-half the
16 average ratio of wheat acreage allotment to cropland on old
17 wheat farms in the county. Such adjustments shall not pro-
18 vide an allotment for any farm which would result in allot-
19 ment-cropland ratio for the farm in excess of one-half of such
20 county average ratio and the total of such adjustments in
21 any county shall not exceed the acreage made avail-
22 able therefor in the county. Such apportionment from the
23 special acreage reserve shall be made only to counties where
24 wheat is a major income-producing crop, only to farms on
25 which there is limited opportunity for the production of an

1 alternative income-producing crop, and only if an efficient
2 farming operation on the farm requires the allotment of addi-
3 tional acreage from the special acreage reserve. For the
4 purposes of making adjustments hereunder the cropland on
5 the farm shall not include any land developed as cropland
6 subsequent to the 1963 crop year.”

7 (4) Subsection (b) of section 334 is amended to read
8 as follows:

9 “(b) The State acreage allotment for wheat, less a re-
10 serve of not to exceed 3 per centum thereof for apportion-
11 ment as provided in subsection (c) of this section, shall be
12 apportioned by the Secretary among the counties in the
13 State, on the basis of the preceding year’s wheat allotment
14 in each such county, including for 1966 the increased acre-
15 age in the county allotted for 1965 pursuant to section 335,
16 adjusted to the extent deemed necessary by the Secretary
17 in order to establish a fair and equitable apportionment base
18 for each county, taking into consideration established crop
19 rotation practices, estimated decrease in farm allotments
20 because of loss of history, and other relevant factors.”

21 (5) Subsection (c) of section 334 is amended by adding
22 new paragraphs (3) and (4) to read as follows:

23 “(3) Notwithstanding the provisions of paragraph (1)
24 of this subsection, the past acreage of wheat for 1966 and
25 any subsequent year shall be the acreage of wheat planted,

1 plus the acreage regarded as planted, for harvest as grain
2 on the farm which is not in excess of the farm acreage
3 allotment.

4 “(4) Notwithstanding any other provision of this sub-
5 section (c), the farm acreage allotment for the 1966 and
6 any subsequent crop of wheat shall be established for each
7 old farm by apportioning the county wheat acreage allot-
8 ment among farms in the county on which wheat has been
9 planted, or is considered to have been planted, for harvest
10 as grain in any one of the three years immediately preceding
11 the year for which allotments are determined on the basis
12 of past acreage of wheat and the farm acreage allotment
13 for the year immediately preceding the year for which the
14 allotment is being established, adjusted as hereinafter pro-
15 vided. For purposes of this paragraph, the acreage allot-
16 ment for the immediately preceding year may be adjusted to
17 reflect established crop-rotation practices, may be adjusted
18 downward to reflect a reduction in the tillable acreage on
19 the farm and may be adjusted upward to reflect such other
20 factors as the Secretary determines should be considered
21 for the purpose of establishing a fair and equitable allotment:
22 *Provided*, That (i) for purposes of computing the 1966
23 allotment for any farm not in compliance with its 1964
24 farm acreage allotment, the 1965 acreage allotment shall
25 be reduced by 7 per centum; (ii) for the purposes of com-

1 putting the allotment for any year, the acreage allotment
2 for the farm for the immediately preceding year shall be
3 decreased by 7 per centum if for the year immediately pre-
4 ceding the year for which such reduction is made neither a
5 voluntary division program nor a certificate program was
6 in effect and there was noncompliance with the farm acreage
7 allotment for such year; (iii) for purposes of clause
8 (ii), any farm on which the entire amount of farm market-
9 ing excess is delivered to the Secretary, stored, or adjusted
10 to zero in accordance with applicable regulations to avoid
11 or postpone payment of the penalty when farm marketing
12 quotas are in effect, shall be considered in compliance with
13 the allotment, but if any part of the amount of wheat so
14 stored is later depleted and penalty becomes due by reason
15 of such depletion, the allotment for such farm next computed
16 after determination of such depletion shall be reduced by
17 reducing the allotment for the immediately preceding year
18 by 7 per centum; and (iv) for purposes of clauses (i) and
19 (ii) if the Secretary determines that the reduction in the
20 allotment does not provide fair and equitable treatment to
21 producers on farms following special crop-rotation practices,
22 he may modify such reduction in the allotment as he deter-
23 mines to be necessary to provide fair and equitable treatment
24 to such producers.”

25 (6) Subsection (d) of section 334 is repealed.

1 (7) Subsection (g) of section 334 is amended by
2 striking out the language "except as prescribed in the
3 provisos to the first sentence of subsections (a) and (b),
4 respectively, of this section" in the first sentence.

5 (8) Section 335 is amended by adding at the end
6 thereof the following: "This section shall not be applicable
7 to the crops planted for harvest in 1966 and subsequent
8 years."

9 (9) Section 339 (b) is amended (1) by striking out
10 "1964 and 1965 crops of wheat" and substituting "crops of
11 wheat planted for harvest in the calendar years 1964 through
12 1969"; and (2) by striking out of the third sentence "20
13 per centum of the farm acreage allotment" and "fifteen
14 acres" and substituting "50 per centum of the farm acreage
15 allotment" and "twenty-five acres", respectively.

16 (10) Section 339 (e) is amended to read as follows:
17 "The Secretary may permit all or any part of the diverted
18 acreage to be devoted to the production of guar, sesame,
19 safflower, sunflower, castor beans, mustard seed, and flax,
20 if he determines that such production of the commodity is
21 needed to provide an adequate supply, is not likely to
22 increase the cost of the price-support program and will not
23 adversely affect farm income, subject to the condition that
24 payment with respect to diverted acreage devoted to any
25 such crop shall be at a rate determined by the Secretary to

1 be fair and reasonable taking into consideration the use of
2 such acreage for the production of such crops: *Provided*, That
3 in no event shall the payment exceed one-half the rate which
4 otherwise would be applicable if such acreage were devoted
5 to conservation uses.”

6 SEC. 502. Effective only with respect to the crops of
7 wheat planted for harvest in the calendar years 1966 through
8 1969, and the marketing years for such crops, section 379b
9 is amended to read as follows:

10 “SEC. 379b. A wheat marketing allocation program as
11 provided in this subtitle shall be in effect for the marketing
12 years for the crops planted for harvest in the calendar years
13 1966 through 1969. Whenever a wheat marketing alloca-
14 tion program is in effect for any marketing year the Secre-
15 tary shall determine (1) the wheat marketing allocation for
16 such year which shall be (i) the amount of wheat he esti-
17 mates will be used during such year for food products for
18 consumption in the United States, but the amount of wheat
19 included in the marketing allocation for food products for con-
20 sumption in the United States shall not be less than five hun-
21 dred million bushels, and (ii) that portion of the amount of
22 wheat which he estimates will be exported in the form of
23 wheat or products thereof during the marketing year on
24 which the Secretary determines that marketing certificates
25 shall be issued to producers in order to achieve, insofar

1 as practicable, the price and income objectives of this
2 subtitle, and (2) the national allocation percentage for
3 such year which shall be the percentage which the
4 national marketing allocation is of the amount of the
5 national marketing quota for wheat that would be
6 determined for such marketing year if a national marketing
7 quota for such year had been proclaimed less the expected
8 production on the acreage allotments for farms which will
9 not be in compliance with the requirements of the program.
10 The cost of any domestic marketing certificates issued to
11 producers in excess of the number of certificates acquired by
12 processors as a result of the application of the five hundred
13 million bushel minimum or an overestimate of the amount
14 of wheat used during such year for food products for con-
15 sumption in the United States shall be borne by Commodity
16 Credit Corporation. Each farm shall receive a wheat mar-
17 keting allocation for such marketing year equal to the num-
18 ber of bushels obtained by multiplying the number of acres
19 in the farm acreage allotment for wheat by the projected
20 farm yield, and multiplying the resulting number of bushels
21 by the national allocation percentage."

22 SEC. 503. Effective beginning with the 1970 crop, sec-
23 tion 379b is amended by striking out "normal yield of wheat
24 for the farm as determined by the Secretary" and substituting
25 "projected farm yield".

1 SEC. 504. (a) Effective upon enactment of this Act, sec-
2 tion 379d (b) is amended by striking out the third sentence
3 and substituting the following: "The Secretary may exempt
4 from the requirements of this subsection wheat exported for
5 donation abroad and other noncommercial exports of wheat,
6 wheat processed for use on the farm where grown, wheat pro-
7 duced by a State or agency thereof and processed for use by
8 the State or agency thereof, wheat processed for donation, and
9 wheat processed for uses determined by the Secretary to be
10 noncommercial. Such exemptions may be made applicable
11 with respect to any wheat processed or exported beginning
12 July 1, 1964. There shall be exempt from the requirements
13 of this subsection beverage distilled from wheat prior to
14 July 1, 1964. A beverage distilled from wheat after July 1,
15 1964, shall be deemed to be removed for sale or consumption
16 at the time it is placed in barrels for aging except that upon
17 the giving of a bond as prescribed by the Secretary, the pur-
18 chase of and payment for such marketing certificates as may
19 be required may be deferred until such beverage is bottled for
20 sale. Wheat shipped to a Canadian port for storage in bond,
21 or storage under a similar arrangement, and subsequent ex-
22 portation, shall be deemed to have been exported for pur-
23 poses of this subsection when it is exported from the Ca-
24 nadian port."

25 (b) Section 379 (d) is amended by inserting after the

1 word "flour" the following: " (excluding flour clears not used
2 for human consumption as determined by the Secretary) ".

3 This subsection shall be effective on or after sixty days
4 following enactment of this Act, unless the Secretary shall
5 by regulation designate an earlier effective date within such
6 sixty-day period.

7 (c) Section 379d (b) is amended by adding at the end
8 thereof the following: "Whenever the face value per bushel
9 of domestic marketing certificates for a marketing year is
10 different from the face value of domestic marketing certifi-
11 cates for the preceding marketing year, the Secretary may
12 require marketing certificates issued for the preceding mar-
13 keting year to be acquired to cover all wheat processed into
14 food products during such preceding marketing year even
15 though the food product may be marketed or removed for
16 sale or consumption after the end of the marketing year."

17 (d) Section 379g is amended by inserting "(a)" after
18 "SEC. 379g" and adding a new subsection (b) as follows:

19 "(b) Whenever the face value per bushel of domestic
20 marketing certificates for a marketing year is substantially
21 different from the face value of domestic marketing certifi-
22 cates for the preceding marketing year, the Secretary is
23 authorized to take such action as he determines necessary to
24 facilitate the transition between marketing years. Notwith-
25 standing any other provision of this subtitle, such authority

1 shall include, but shall not be limited to, the authority to sell
2 certificates to persons engaged in the processing of wheat
3 into food products covering such quantities of wheat, at such
4 prices, and under such terms and conditions as the Secretary
5 may by regulation provide. Any such certificate shall be
6 issued by Commodity Credit Corporation."

7 SEC. 505. The Agricultural Act of 1964 is amended as
8 follows:

9 (1) Amendment (7) of section 202 is amended by
10 striking out "1964 and 1965" and substituting "the calendar
11 years 1964 through 1969".

12 (2) Amendment (13) of section 202 is amended by
13 striking out "only with respect to the crop planted for har-
14 vest in the calendar year 1965" and substituting "with re-
15 spect to the crops planted for harvest in the calendar years
16 1965 through 1969".

17 (3) Section 204 is amended by striking out "1964 and
18 1965" and substituting "1964 through 1969".

19 SEC. 506. Effective beginning with the 1966 crop, sec-
20 tion 107 of the Agricultural Act of 1949, as amended, is
21 amended to read as follows:

22 "SEC. 107. Notwithstanding the provisions of section
23 101 of this Act, beginning with the 1966 crop—

24 "(1) Whenever a wheat marketing allocation pro-
25 gram is in effect, (a) price support for wheat accom-

1 panied by domestic certificates shall be at 100 per
2 centum of the parity price or as near thereto as the Sec-
3 retary determines practicable, but in no event less than
4 \$2.50 per bushel, (b) price support for wheat accom-
5 panied by export certificates shall be at such level, not
6 in excess of the parity price therefor, as the Secretary
7 determines, and (c) price support for wheat not accom-
8 panied by marketing certificates shall be at such level,
9 not in excess of the parity price therefor, as the Secre-
10 tary determines appropriate, taking into consideration
11 competitive world prices of wheat, the feeding value of
12 wheat in relation to feed grains, and the level at which
13 price support is made available for feed grains.

14 “(2) Whenever a wheat marketing allocation pro-
15 gram is not in effect, the level of price support for any
16 crop of wheat for which a national marketing quota is
17 not proclaimed or for which marketing quotas have been
18 disapproved by producers shall be as provided in section
19 101.

20 “(3) Price support shall be made available only to
21 cooperators.

22 “(4) A ‘cooperator’ with respect to any crop of
23 wheat produced on a farm shall be a producer who (i)
24 does not knowingly exceed (A) the farm acreage allot-

1 ment for wheat on the farm or (B) except as the Sec-
2 retary may by regulation prescribe, the farm acreage
3 allotment for wheat on any other farm on which the pro-
4 ducer shares in the production of wheat, and (ii) com-
5 plies with the land-use requirements of section 339 of
6 the Agricultural Adjustment Act of 1938, as amended,
7 to the extent prescribed by the Secretary. No producer
8 shall be deemed to have exceeded a farm acreage allot-
9 ment for wheat if the entire amount of the farm market-
10 ing excess is delivered to the Secretary or stored in ac-
11 cordance with applicable regulations to avoid or post-
12 pone payment of the penalty, but the producer shall not
13 be eligible to receive price support on such marketing
14 excess. No producer shall be deemed to have exceeded
15 a farm acreage allotment for wheat if the production on
16 the acreage in excess of the farm acreage allotment is
17 stored pursuant to the provisions of section 379c (b) , but
18 the producer shall not be eligible to receive price sup-
19 port on the wheat so stored."

20 SEC. 507. Effective beginning with the crop planted for
21 harvest in the calendar year 1966, section 339 (a) of the
22 Agricultural Adjustment Act of 1938, as amended, is
23 amended by inserting after the words "national acreage allot-
24 ment", wherever they appear, the following: "(less an

1 acreage equal to the increased acreage allotted for 1965
2 pursuant to section 335) ”.

3 SEC. 508. Effective beginning with crop planted for
4 harvest in the calendar year 1966, section 379c (a) of the
5 Agricultural Adjustment Act of 1938, as amended, is
6 amended by amending the third sentence to read as follows:
7 “The Secretary shall provide for the sharing of wheat
8 marketing certificates among producers on the farm on a
9 fair and equitable basis.”, and by adding at the end thereof
10 the following: “An acreage on the farm not planted to wheat
11 because of drought, flood, or other natural disaster shall be
12 deemed to be an actual acreage of wheat planted for harvest
13 for purposes of this subsection.”

14 SEC. 509. Section 301 (b) of the Agricultural Adjust-
15 ment Act of 1938, as amended, is amended as follows:

16 (1) Paragraph (8) is amended by inserting “(A)”
17 after “(8)” and adding the following new subparagraph:

18 “(B) ‘Projected national yield’ as applied to any crop
19 of wheat shall be determined on the basis of the national
20 yield per harvested acre of the commodity during each of
21 the five calendar years immediately preceding the year in
22 which such projected national yield is determined, adjusted
23 for abnormal weather conditions affecting such yield, for
24 trends in yields and for any significant changes in produc-
25 tion practices.”

1 (2) Paragraph (13) is amended by adding the follow-
2 ing new subparagraphs:

3 “(J) ‘Projected county yield’ for any crop of wheat
4 shall be determined on the basis of the yield per harvested
5 acre of such crop in the county during each of the five cal-
6 endar years immediately preceding the year in which such
7 projected county yield is determined, adjusted for abnormal
8 weather conditions affecting such yield, for trends in yields
9 and for any significant changes in production practices.

10 “(K) ‘Projected farm yield’ for any crop of wheat shall
11 be determined on the basis of the yield per harvested acre of
12 such crop, on the farm during each of the three calendar
13 years immediately preceding the year in which such pro-
14 jected farm yield is determined, adjusted for abnormal
15 weather conditions affecting such yield, for trends in yields
16 and for any significant changes in production practices, but
17 in no event shall such projected farm yield be less than the
18 normal yield for such farm as provided in subparagraph (E)
19 of this paragraph.”

20 SEC. 510. (a) Section 379c (b) of the Agricultural Ad-
21 justment Act of 1938, as amended, is amended, effective be-
22 ginning with the 1966 crop, by striking out of the fifth
23 sentence the words “normal yield of wheat per acre estab-
24 lished for the farm” and substituting therefor the words
25 “projected farm yield”.

1 (b) Section 379i of the Agricultural Adjustment Act of
2 1938, as amended, is amended, effective as of the effective
3 date of the original enactment of the section, by inserting in
4 subsections (a) and (b) after the word "who", wherever it
5 appears, the word "knowingly".

6 SEC. 511. (a) Effective beginning with the crop planted
7 for harvest in 1966, paragraph (9) of section 301 (b) of the
8 Agricultural Adjustment Act of 1938, as amended, is
9 amended to read as follows:

10 “(9) ‘Normal production’ as applied to any number of
11 acres of rice or cotton means the normal yield for the farm
12 times such number of acres and for wheat means the pro-
13 jected farm yield times such number of acres.”

14 (b) Public Law 74, Seventy-seventh Congress, as
15 amended, is amended by changing the words “normal yield
16 of wheat per acre established for the farm” in paragraph (1)
17 to the words “projected farm yield”.

18 SEC. 512. In establishing terms and conditions for per-
19 mitting wheat to be planted in lieu of oats and rye, the
20 Secretary may take into account the number of feed units
21 per acre of wheat in relation to the number of feed units per
22 acre of oats and rye.

23 SEC. 513. Section 379c of the Agricultural Adjustment
24 Act of 1938, as amended, is amended, effective beginning

1 with the crop planted for harvest in the calendar year 1964,
2 by adding the following subsection:

3 “(e) Notwithstanding any other provision of law, the
4 amount of certificates issued with respect to any farm may be
5 adjusted by the Secretary for failure of a producer to comply
6 fully with the terms and conditions of the program formu-
7 lated under this subtitle.”

8 TITLE VI—CROPLAND ADJUSTMENT

9 SEC. 601. The Soil Bank Act of 1956, as amended,
10 is hereby repealed, except that it shall remain in effect with
11 respect to contracts entered into prior to such repeal.

12 SEC. 602. (a) Notwithstanding any other provision of
13 law, for the purpose of reducing the costs of farm programs,
14 assisting farmers in turning their land to nonagricultural uses,
15 promoting the development and conservation of the Nation's
16 soil, water, forest, wildlife, and recreational resources, estab-
17 lishing, protecting, and conserving open spaces and natural
18 beauty, the Secretary of Agriculture is authorized to for-
19 mulate and carry out a program during the calendar years
20 1965 through 1969 under which agreements would be en-
21 tered into with producers as hereinafter provided for periods
22 of not less than five nor more than ten years. No agreement
23 shall be entered into under this section concerning land with
24 respect to which the ownership has changed in the five-year

1 period preceding the first year of the agreement period unless
2 the new ownership was acquired by will or succession as a
3 result of the death of the previous owner: *Provided*, That
4 this provision shall not be construed to prohibit the continua-
5 tion of an agreement by a new owner after an agreement has
6 once been entered into under this section.

7 (b) The producer shall agree (1) to divert from pro-
8 duction all of one or more crops designated by the Secretary;
9 (2) to carry out on a specifically designated acreage of land
10 on the farm regularly used in the production of crops (here-
11 inafter called "designated acreage") and maintain for the
12 agreement period practices or uses which will conserve soil,
13 water, or forest resources, or establish or protect or conserve
14 open spaces, natural beauty, wildlife or recreational re-
15 sources, or prevent air or water pollution, in such manner as
16 the Secretary may prescribe; (3) to maintain in conserving
17 crops or uses or allow to remain idle throughout the agree-
18 ment period the acreage normally devoted to such crops or
19 uses; (4) not to harvest any crop from or graze the des-
20 ignated acreage during the agreement period, unless the Sec-
21 retary, after certification by the Governor of the State in
22 which such acreage is situated of the need for grazing or
23 harvesting of such acreage, determines that it is necessary
24 to permit grazing or harvesting in order to alleviate damage,
25 hardship, or suffering caused by severe drought, flood, or

1 other natural disaster, and consents to such grazing or har-
2 vesting subject to an appropriate reduction in the rate of
3 payment; and (5) to such additional terms and conditions
4 as the Secretary determines are desirable to effectuate the
5 purposes of the program, including such measures as the
6 Secretary may deem appropriate to keep the designated
7 acreage free from erosion, insects, weeds, and rodents.

8 (c) Under such agreements the Secretary shall (1)
9 bear such part of the average cost (including labor) for the
10 county or area in which the farm is situated of establishing
11 and maintaining authorized practices or uses on the desig-
12 nated acreage as the Secretary determines to be necessary
13 to effectuate the purposes of the program, but not to exceed
14 the average rate for comparable practices or uses under the
15 agricultural conservation program; and (2) make an annual
16 adjustment payment to the producer for the period of the
17 agreement at such rate or rates as the Secretary determines
18 to be fair and reasonable in consideration of the obligations
19 undertaken by the producers. The rate or rates of annual
20 adjustment payments as determined hereunder shall be in-
21 creased by an amount determined by the Secretary to be
22 appropriate in relation to the benefit to the general public
23 of the use of the designated acreage if the producer further
24 agrees to permit, without other compensation, access to such
25 acreage by the general public, during the agreement period,

1 for hunting, trapping, fishing, and hiking, subject to appli-
2 cable State and Federal regulations. The Secretary may
3 make the annual adjustment payments for all years of the
4 agreement period upon approval of the agreement or in such
5 installments as he determines to be desirable: *Provided*, That
6 for each year any annual adjustment payment is made in
7 advance of performance, the annual adjustment payment
8 shall be reduced by 5 per centum. The Secretary may pro-
9 vide for adjusting any payment on account of failure to
10 comply with the terms and conditions of the program.

11 (d) The Secretary shall, unless he determines that such
12 action will be inconsistent with the effective administration
13 of the program, use an advertising and bid procedure in de-
14 termining the lands in any area to be covered by agreements.
15 The total acreage placed under agreement in any county
16 shall be limited to a percentage of the total eligible acreage
17 in such county which the Secretary determines would not
18 adversely affect the economy of the county.

19 (e) The annual adjustment payment shall not exceed
20 50 per centum of the estimated value, as determined by the
21 Secretary, on the basis of prices in effect at the time the
22 agreement is entered into, of the crops or types of crops
23 which might otherwise be grown. The estimated value may
24 be established by the Secretary on a county, area, or individ-
25 ual farm basis as he deems appropriate.

1 (f) The Secretary may terminate any agreement with
2 a producer by mutual agreement with the producer if the
3 Secretary determines that such termination would be in the
4 public interest, and may agree to such modification of agree-
5 ments as he may determine to be desirable to carry out the
6 purposes of the program or facilitate its administration.

7 (g) The Secretary may, to the extent he deems it de-
8 sirable, provide by appropriate regulations for preservation
9 of cropland, crop acreage, and allotment history applicable
10 to acreage diverted from the production of crops under the
11 program for the purpose of any Federal program under
12 which such history is used as a basis for an allotment or other
13 limitation or for participation in such program.

14 (h) In carrying out the program, the Secretary shall
15 utilize the services of local, county, and State committees
16 established under section 8 of the Soil Conservation and
17 Domestic Allotment Act, as amended.

18 (i) For the purpose of obtaining an increase in the
19 permanent retirement of cropland to noncrop uses the Sec-
20 retary may, notwithstanding any other provision of law,
21 transfer funds appropriated for carrying out the program
22 to any other Federal agency or to States or local govern-
23 ment agencies for use in acquiring cropland for the preser-
24 vation of open spaces, natural beauty, the development of
25 wildlife or recreational facilities, or the prevention of air or

1 water pollution under terms and conditions consistent with
2 and at costs not greater than those under agreements entered
3 into with producers, provided the Secretary determines that
4 the purposes of the program will be accomplished by such
5 action.

6 (j) The Secretary also is authorized to share the cost
7 with State and local governmental agencies in the estab-
8 lishment of practices or uses which will establish, protect, and
9 conserve open spaces, natural beauty, wildlife or recreational
10 resources, or prevent air or water pollution under terms and
11 conditions and at costs consistent with those under agree-
12 ments entered into with producers, provided the Secretary
13 determines that the purposes of the program will be accom-
14 plished by such action.

15 (k) The Secretary is authorized to utilize the facilities,
16 services, authorities, and funds of the Commodity Credit
17 Corporation in discharging his functions and responsibilities
18 under this program, including payment of costs of adminis-
19 tration. There are hereby authorized to be appropriated
20 such sums as may be necessary to carry out the program,
21 including such amounts as may be required to make pay-
22 ments to the Corporation for its actual costs incurred or
23 to be incurred under this program.

24 (l) In case any producer who is entitled to any pay-
25 ment or compensation dies, becomes incompetent, or dis-

1 appears before receiving such payment or compensation, or
2 is succeeded by another who renders or completes the re-
3 quired performance, the payment or compensation shall,
4 without regard to any other provisions of law, be made as
5 the Secretary may determine to be fair and reasonable in
6 all the circumstances and so provide by regulations.

7 (m) The Secretary shall provide adequate safeguards
8 to protect the interests of tenants and sharecroppers, includ-
9 ing provision of sharing, on a fair and equitable basis, in pay-
10 ments or compensation under this program.

11 (n) The Secretary shall prescribe such regulations as
12 he determines necessary to carry out the provisions of this
13 ~~sub~~*title title*.

14 TITLE VII—MISCELLANEOUS

15 SEC. 701. Section 374 (a) of the Agricultural Adjust-
16 ment Act of 1938, as amended, is amended to read as
17 follows:

18 “(a) The Secretary shall provide for ascertaining, by
19 measurement the acreage of peanuts and tobacco and by
20 measurement or otherwise, the acreage of wheat, cotton,
21 rice, or any other agricultural commodity or land use on
22 farms for which the ascertainment of such acreage is neces-
23 sary to determine compliance under any program adminis-
24 tered by the Secretary. Insofar as practicable, the acreage
25 of the commodity and land use shall be ascertained prior to

1 harvest, and, if any acreage so ascertained is not in com-
2 pliance with the requirements of the program, the Secretary,
3 under such terms and conditions as he prescribes, may pro-
4 vide a reasonable time for the adjustment of the acreage of
5 the commodity or land use to the requirements of the
6 program.”

7 SEC. 702. Section 374 (c) of the Agricultural Adjust-
8 ment Act of 1938, as amended, is amended by deleting the
9 first sentence thereof.

10 SEC. 703. Subsection (a) of section 316 of the Agri-
11 cultural Adjustment Act of 1938, as amended, is amended
12 (i) by striking out of the first sentence thereof “1962, 1963,
13 1964, and 1965,” and inserting “1962 through 1969” and
14 (ii) by striking out of the last sentence thereof “1964 or
15 1965” and inserting “a 1964 through 1969”.

16 SEC. 704. The Act of August 13, 1957 (Public Law
17 85-127), as amended, is amended by striking out the last
18 sentence thereof.

19 ~~“SEC.~~ SEC. 705. The Secretary of Agriculture in coop-
20 eration with the House Committee on Agriculture and the
21 Senate Committee on Agriculture and Forestry shall make
22 a study of the parity income position of farmers and report
23 thereon to the Congress not later than June 30, 1966. The
24 report shall include a recommended formula for determining
25 parity income.

89TH CONGRESS
1ST SESSION

H. R. 9811

[Report No. 631]

A BILL

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

By Mr. COOLEY

JULY 13, 1965

Referred to the Committee on Agriculture

JULY 20, 1965

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Aug. 10, 1965

HOUSE

14. **MILITARY CONSTRUCTION APPROPRIATION BILL, 1966.** Passed without amendment this bill, H. R. 10323, which includes funds to repay CCC for certain family housing projects. pp. 19118-34
15. **STOCKPILE.** The Armed Services committee reported without amendment H.R. 9544, to authorize the disposal, without regard to the prescribed six-month waiting period, of approximately 620,000 tons of natural rubber from the national stockpile (H. Rept. 767). pp. 19185-6
16. **PERSONNEL.** The Post Office and Civil Service Committee reported without amendment H. R. 6165, to repeal 5 U.S.C. 33, which gives department heads discretion as to whether to appoint women (H. Rept. 772). p. 19186
17. **PEACE CORPS.** Agreed to the conference report on S. 2054, to authorize appropriations for Peace Corps. pp. 19117-8
18. **FARM PROGRAM.** The "Daily Digest" states that the Rules Committee "Granted an open rule...on H. R. 9811, the omnibus farm bill." p. D771
Rep. Resnick criticized the "desperate form of lobbying by leaders of the banking industry" against the farm bill, particularly the provision which would raise the domestic price of wheat. pp. 19146-7
Rep. Curtis criticized a speech made by Secretary Freeman before the National Farmers Organization and inserted an article, "Sowing Economic Nonsense," critical of Secretary Freeman's letter to New York's First National Bank concerning its newsletter on wheat processing tax. pp. 19158-9
Rep. Dwyer criticized the farm bill and inserted an article, "Johnson Retreat on Farm Policy--Consumer Pays for It." pp. 19163-4
19. **WEIGHTS AND MEASURES.** The "Daily Digest" states that the Science and Astronautics Committee "ordered reported favorably to the House H. R. 10329 (a clean bill introduced), to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption by the U. S. of the metric system of weights and measures." p. D771
20. **BALANCE OF PAYMENTS.** Rep. Curtis commended the Joint Economic Committee print, "The Balance of Payments Statistics of the United States," and added some additional thoughts of his own "on the semantic difficulties involved in balance-of-payments accounting." pp. 19157-8
21. **MINIMUM WAGE.** Rep. Nelsen criticized the bill to raise the minimum wage stating that it would not be good for rural America and inserted excerpts of letters of protest. pp. 19161-3
22. **DAYLIGHT SAVING TIME.** Rep. Resnick urged immediate consideration of bills pending to establish a uniformity of daylight saving time. p. 19165

ITEMS IN APPENDIX

23. **ITEM VETO.** Extension of remarks of Rep. Bennett supporting his proposed resolution to amend the Constitution to give the President authority to veto individual items in appropriation bills. pp. A4423-4

24. EDUCATION. Extension of remarks of Rep. Curtis inserting his speech discussing the role of Federal assistance in education and suggesting tax reforms in connection with the financing of education. pp. A4426-8
25. FOREIGN AID. Rep. Fraser inserted two articles describing the growth of credit unions and saving and loan associations in the developing nations under encouragement of the foreign aid program. p. A4429
Rep. Hansen, Wash., inserted comments by the Agency for International Development on a letter from Congressman Passman dealing with funds for foreign aid. pp. A4435-6
26. WATER SUPPLY. Rep. Callan inserted an article urging more effective use of water as the demands on the fresh water supply increases. p. A4429
27. SOYBEANS. Rep. Gathings inserted an article consisting of an interview with Hays Sullivan, president of the American Soybean Association, and outlining the importance of soybeans to the agricultural economy. pp. A4433-4
28. LEGISLATIVE LAISON. Extension of remarks of Rep. O'Neill, Mass., commending and inserting an article recognizing the "outstanding achievement" of Lawrence O'Brien, the President's Special Assistant for Congressional Relations. p. A4439
29. ELECTRIFICATION. Extension of remarks of Rep. Moss urging defeat of bills which would remove utilities not "directly connected" with an interstate power network from FPC rate regulations and inserting an article on this subject. pp. A4443-4
30. MINIMUM WAGE. Extension of remarks of Rep. Cooley expressing concern over the proposed bill to establish a minimum wage for farmworkers and inserting an article, "Boon and Bane." p. A4444
31. NATURAL BEAUTY. Rep. Sikes inserted an article, "A Forester Looks At Roadside Beautification Drive." p. A4447

BILLS INTRODUCED

32. PROPERTY. S. 2378 by Rep. McClellan, to amend section 202(b) of the Federal Property and Administrative Services Act of 1949; to Government Operations Committee. Remarks of author pp. 19011-2
33. RESEARCH ANIMALS. H. R. 10355 by Rep. Randall, to provide for the best care, welfare, and safeguards against suffering for certain animals used for scientific purposes without impeding necessary research; to Interstate and Foreign Commerce Committee.
34. LOANS. H. R. 10356 by Rep. Roberts, to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, to Agriculture Committee.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued August 12, 1965
For actions of August 11, 1965
89th-1st; No. 147

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HIGHLIGHTS: House Rules Committee cleared farm bill. House debated public works-economic development bill. House committee voted to report Spruce Knob-Seneca Rocks recreation area bill and bill to expand various FHA loan authorities. Senate passed bill to establish Department of Housing and Urban Development. Sen. McGovern criticized cargo shipping restrictions on sales of wheat to Russia. Rep. Martin inserted article criticizing food for peace program. Rep. Matthews introduced and discussed bill to amend acreage-poundage quotas for tobacco.

HOUSE

1. FARM PROGRAM. The Rules Committee reported a resolution for consideration of the farm bill. ~~p. 19189~~
2. LABOR-HEW APPROPRIATION BILL. Conferees were appointed on this bill H.R. 7765 (p. 19189). Senate conferees have already been appointed.
3. PUBLIC WORKS; ECONOMIC DEVELOPMENT. Began debate on S. 1648, the proposed Public Works and Economic Development Act of 1965. pp. 19190-239, 19242-3

4. RECREATION. The "Daily Digest" states that the Agriculture Committee voted to report (but did not actually report) H. R. 10330, to provide for the establishment of the Spruce Knob-Seneca Rocks National Recreation Area, W. Va.; S. 1764, to authorize the acquisition of certain lands within the boundaries of the Uinta National Forest, Utah, in lieu of H. R. 8344 and H. R. 9161; and H.R. 10366, a clean bill, to establish the Mount Rogers National Recreation Area in the Jefferson National Forest, Va., in lieu of H. R. 316. p. D777
5. FORESTRY; PROPERTY. The "Daily Digest" states that the Agriculture Committee voted to report (but did not actually report) with amendment S. 1689, to authorize the Secretary of Agriculture to hire or rent property from employees of the Forest Service for the use of that Service.
6. LOANS. The "Daily Digest" states that the Agriculture Committee voted to report (but did not actually report with amendment H. R. 10232, to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public or quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, and to increase the annual aggregate of insured loans thereunder. pp. D777
7. MARKETING ORDERS. The "Daily Digest" states that the Agriculture Committee voted to report (but did not actually report) H. R. 10206, to amend the Agricultural Marketing Agreement Act of 1937 (re marketing orders for certain fruits and vegetables) in lieu of H. R. 10209. p. D777
8. ANIMALS; RESEARCH. The "Daily Digest" states that the Agriculture Committee "ordered referred to the Subcommittee on Livestock and Feed Grains" H. R. 9743, to authorize the Secretary of Agriculture to regulate the transportation, sale, and handling of dogs and cats intended to be used for purposes of research or experimentation." p. D777
9. WATERSHEDS. The "Daily Digest" states that Agriculture Committee approved plan for works of improvement on the following watersheds: Upper Crooked Creek, Ark.; Haney Creek, Ark.; Buffalo Creek, Ohio; Crooked Creek, Ala.; Muddy Fork of Silver Creek, Ind.; St. Thomas Lodema, N. Dak.; Assunpink Creek, N. J.; Mills Creek, Fla.; Turkey Creek, Iowa; Mitchell Swamp-Pleasant Meadow Branch, S. C.; Willis River, Va.; Cub Creek, Nebr.; Lakin, Kans.; Standing Pine Creek, Miss.; and Fishing Creek, S. C. p. D777
10. PERSONNEL; RETIREMENT. Rep. William D. Ford spoke in favor of H. R. 8469, "to provide equitable and desperately needed increases in the annuities of Federal civil service retirees and their survivors." p. 19249
11. COMMITTEE EMPLOYEES. Received from the various committees reports showing positions and salaries of employees during the first six months of 1965. pp. 19252-60
12. TARIFF. Received from Treasury a proposed bill to amend the Tariff Act of 1930 to authorize the collection of user charges, and to permit any charges for customs services to be collected on a flat fee basis; to Ways and Means Committee. p. 19260
13. WATER SUPPLY. Rep. Celler inserted the President's remarks before the Water Emergency Conference at the White House. pp. 19247-9

CONSIDERATION OF H.R. 9811

AUGUST 11, 1965.—Referred to the House Calendar and ordered to be printed

Mr. YOUNG, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 512]

The Committee on Rules, having had under consideration House Resolution 512, report the same to the House with the recommendation that the resolution do pass.

○

House Calendar No. 141

89TH CONGRESS
1ST SESSION

H. RES. 512

[Report No. 777]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 11, 1965

Mr. YOUNG, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H.R. 9811) to
5 maintain farm income, to stabilize prices and assure adequate
6 supplies of agricultural commodities, to reduce surpluses,
7 lower Government costs and promote foreign trade, to afford
8 greater economic opportunity in rural areas, and for other
9 purposes. After general debate, which shall be confined to
10 the bill and shall continue not to exceed five hours, to be
11 equally divided and controlled by the chairman and rank-
12 ing minority member of the Committee on Agriculture, the

1 bill shall be read for amendment under the five-minute rule
2 by titles instead of by sections. At the conclusion of the con-
3 sideration of the bill for amendment, the Committee shall
4 rise and report the bill to the House with such amendments
5 as may have been adopted, and the previous question shall
6 be considered as ordered on the bill and amendments thereto
7 to final passage without intervening motion except one mo-
8 tion to recommit.

89TH CONGRESS
1ST SESSION

H. RES. 512

[Report No. 777]

RESOLUTION

Providing for consideration of H.R. 9811, a bill to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

By Mr. YOUNG

August 11, 1965

Referred to the House Calendar and ordered to be printed

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued August 18, 1965
For actions of August 17, 1965
89th-1st.; No. 151

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HIGHLIGHTS: House debated farm bill. ^{Rep.} Cooley inserted proposed wheat and cotton amendments. Conferees agreed to file report on foreign aid authorization bill. Rep. Selden inserted President's speech proposing elimination of import fee on Latin American sugar. Rep. Cooley introduced Sugar bill. Senate debated bill to expand poverty program. Sen. Young, N. Dak., inserted article critical of shipping restrictions on wheat. Sen. Dirksen discussed U. S. opportunity for expansion of meat exports. Sen. Brewster urged continuation of milk indemnity program.

HOUSE

1. FARM PROGRAM. Began debate on H. R. 9811, the farm bill (pp. 19932-78, 20024-5). Rep. Cooley stated that he intended to propose an amendment on wheat to provide that CCC shall bear a portion of the cost of domestic marketing certificates required for wheat used in the manufacture of food products equal to the amount by which price support for wheat accompanied by domestic certificates exceeds \$2 per bushel (p. 19934). Rep. Cooley inserted amendments to be offered to the cotton title of the bill and an explanatory

statement stating that the amendments:

Would permit the transfer of released acreage across county lines within the State, as is permitted under present law.

Would permit the planting of unlimited acreage to cotton while foregoing program benefits only on farms which had an acreage allotment for 1965 and which were operated by the same farm operator or his heir. An operator who chose to overplant his acreage allotment on one farm could not participate in the program on any other farm in which he had a controlling or substantial interest.

Provides that farmers who receive reapportioned acreage would receive price support payments on the farm domestic acreage allotment computed without regard to reapportioned acreage. The rate of price support payments on such domestic acreage allotment would reflect payments for diverted acres. Farmers would continue to receive 9 cents per pound in 1966 for the domestic allotment portion of reapportioned acres but would not receive payment for diversion of any such acres.

Would provide that a cooperator for purposes of the bill would only have to divert 15 per centum of the farm acreage allotment determined before any acreage is reapportioned to the farm.

Would limit the applicability of section 405 of the bill so that transfers could be approved during the 4-year period 1966-69 but transfers so approved could continue in effect beyond such period.

Would limit the total cotton allotment which may be transferred by sale or lease to any farm to an acreage not to exceed 100 acres above the 1965 farm acreage allotment excluding acreage reapportioned to the farm for 1965 (pp. 19977-8).

2. FOREIGN AID. The "Daily Digest" states that conferees agreed to file a conference report on H. R. 7750, the foreign aid authorization bill. p. D806
Rep. Selden inserted the President's remarks commending the Alliance for Progress on its fourth anniversary in which he stated he was proposing to Congress the elimination of the special import fee on sugar "so the full price will go to the Latin American producers." pp. 19978-80
Several Representatives commended the Alliance for Progress on its fourth anniversary. pp. 19993-20008, 20044-5
3. DATA PROCESSING. The Government Operations Committee reported with amendment H. R. 4845, to provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal agencies (H. Rept. 802). p. 20046
4. SUGAR. Received from this Department a proposed bill to amend and extend the provisions of the Sugar Act of 1948; to Agriculture Committee. p. 20046
5. RECREATION. Concurred in the Senate amendments to H. R. 89, to authorize establishment of the Delaware Water Gap National Recreation Area. This bill will now be sent to the President. p. 19921
Rep. Edmondson inserted the report of the Committee on Recreation and Wildlife of the National Rivers and Harbors Congress. p. 19990
6. EDUCATION. The Rules Committee reported a resolution for consideration of H. R. 9567, the proposed Higher Education Act of 1965. pp. 19938-20046

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

KSENIJA POPOVIC

The Clerk called the bill (H.R. 2772) for the relief of Ksenija Popovic.

There being no objection, the Clerk read the bill, as follows:

H.R. 2772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Ksenija Popovic may be classified as an eligible orphan within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition in her behalf by Mrs. John Drinkwater Behan, a citizen of the United States, pursuant to section 205(b) of the Act, subject to all the conditions in that section relating to eligible orphans.

With the following committee amendments:

On page 1, line 6, strike out the words "upon approval of" and substitute in lieu thereof the word "and".

On page 1, line 7, after the words "of the United States," insert the words "may be approved".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. ANTONIO DE OYARZABAL

The Clerk called the bill (H.R. 3337) for the relief of Mrs. Antonio de Oyarzabal.

There being no objection, the Clerk read the bill, as follows:

H.R. 3337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 301(a)(7) of the Immigration and Nationality Act, Mrs. Antonio de Oyarzabal shall be held and considered to have been physically present in the United States during all the time she was residing in Spain with her father, the Honorable John Davis Lodge, while he was United States Ambassador to Spain.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EMILIA MAJKA

The Clerk called the bill (H.R. 3669) for the relief of Emilia Majka.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DR. JAN ROSCISZEWSKI

The Clerk called the bill (H.R. 4137) for the relief of Dr. Jan Rosciszewski.

There being no objection, the Clerk read the bill, as follows:

H.R. 4137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Doctor Jan Rosciszewski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of November 5, 1959.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CONCETTA CIOFFI CARSON

The Clerk called the bill (H.R. 2285) for the relief of Mrs. Concetta Cioffi Carson.

There being no objection, the Clerk read the bill, as follows:

H.R. 2285

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Concetta Cioffi Carson shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act: Provided, That unless the beneficiary is entitled to care under chapter 55 of title 10 of the United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, notwithstanding the provision of section 212(a)(3) of the Immigration and Nationality Act, Mrs. Concetta Cioffi Carson may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided, That unless the beneficiary is entitled to care under chapter 55 of title 10 of the United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: Provided further, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.*"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DR. FELIPE V. LAVAPIES

The Clerk called the bill (H.R. 7357) for the relief of Dr. Felipe V. Lavapies.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING THE HONORABLE FRANCES P. BOLTON TO ACCEPT AWARD OF OFFICER IN FRENCH NATIONAL ORDER OF LEGION OF HONOR

The Clerk called the bill (H.R. 10342) to authorize the Honorable FRANCES P. BOLTON, of Ohio, a Member of the House of Representatives, to accept the award of Officer in the French National Order of the Legion of Honor.

There being no objection, the Clerk read the bill, as follows:

H.R. 10342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Honorable Frances P. Bolton, of Ohio, a Member of the House of Representatives, is authorized to accept the award of Officer in the French National Order of the Legion of Honor tendered by the Government of France, together with any decorations and documents evidencing this award, and the consent of Congress is hereby expressly granted for this purpose as required under section 9 of article I of the Constitution. The Secretary of State is authorized to deliver to the Honorable Frances P. Bolton the decorations and documents evidencing such award.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ALEKSANDR KAZNACHEEV

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 188, the bill (S. 582) for the relief of Aleksandr Kaznacheev.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

S. 582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Aleksandr Kaznacheev, lawfully admitted for permanent residence in the United States on August 16, 1959, shall be held to be included in the class of applicants for naturalization exempted from the provisions of section 313(a) of the Immigration and Nationality Act, as such class is specified in section 313(c) of the said Act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

NIKOLAI ARTAMONOV

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 194, the bill (S. 1498) for the relief of Nikolai Artamonov.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

S. 1498

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That Nikolai Artamonov, lawfully admitted for permanent residence in the United States on August 22, 1959, shall be held to be included in the class of applicants for naturalization exempted from the provisions of Section 313(a) of the Immigration and Nationality Act as such class is specified in section 313(c) of the said Act.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This ends the call of the Private Calendar.

FOOD AND AGRICULTURE ACT OF 1965

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 512 and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 512

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that, I yield myself such time as I may consume.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Speaker, House Resolution 512 provides an open rule with 5 hours of general debate on H.R. 9811, a bill to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes. The resolution also provides that the bill shall be read for amendment by titles instead of by sections.

Agriculture has advanced on a broad front during recent years. The downturn in farm income, which marked the middle and late 1950's has been reversed. Farm income is higher. Grain surpluses have been cut dramatically. Exports of farm products are at record levels. More land has been protected for posterity. Consumer food prices have been reasonable. Food distribution programs have been expanded.

H.R. 9811 embraces the major provisions set forth as follows:

TITLE I. DAIRY

The class I dairymen's base plan authorized in the first title seeks to reduce surplus milk production and stabilize the income of dairy farmers in Federal milk order areas.

TITLE II. WOOL

The National Wool Act of 1954 is continued through December 31, 1969. A floor of 77 percent of parity is set on wool price supports.

TITLE III. FEED GRAINS

This title continues for 4 years the provisions of the present feed grains program for price-support loans, purchases, and in-kind payments to program participants.

TITLE IV. COTTON

The one-price cotton program, wherein American mills buy U.S. cotton at the same price it is offered to foreign mills, is extended for 4 years, through 1969, with modification.

TITLE V. WHEAT

This title authorizes continuation of the voluntary wheat certificate program for 4 years with modifications from current provisions aimed at boosting wheat farmers' income by about \$150 million a year, reducing Government costs, and providing more freedom in the marketing system.

TITLE VI. CROPLAND ADJUSTMENT

Under this title the Secretary would be authorized to enter into long-range contracts with farmers calling for conversion of unneeded cropland into vegetative cover, water storage facilities, or other soil, water, wildlife, or forest conserving uses.

TITLE VII. MISCELLANEOUS

This final title would:

First. Expand a system of farmer certification of compliance with the acreage provisions of various programs, except for tobacco and peanuts. It would reduce administrative costs in operating acreage programs.

Second. Extend the present authority through December 31, 1969, for growers to lease tobacco allotments to other farmers.

Third. Make permanent the exemption of "boiled peanuts" in the definition of peanuts in the acreage allotment, marketing quota, and price-support programs.

Fourth. Authorize a study on the parity of income position of farmers, to obtain more definitive information of the true income status of farmers relative to other segments of the economy. While parity prices and the parity ratio are a useful relative guide to the prices farmers receive, they do not reflect farmers' income position considering increased efficiency and productivity. Government income supplements, mortgage debt ratio to income, and other factors which have a direct bearing on farm income.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. BOLAND. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 240]

Adair	Dyal	Passman
Andrews,	Hansen, Iowa	Powell
George W.	Harsha	Reinecke
Bolton	Hawkins	Resnick
Bonner	Holfield	Rogers, Tex.
Brown, Ohio	Karth	Roudebush
Burton, Utah	Kee	Roybal
Cabell	King, N.Y.	Ryan
Cahill	Kornegay	Scott
Carter	Lindsay	Teague, Tex.
Craley	McCarthy	Thomas
Cramer	McEwen	Toll
Cunningham	Martin, Mass.	Utt
Curtis	Michel	White, Idaho
Derwinski	Miller	Willis
Diggs	Moeller	Younger
Downing	Moorhead	

The SPEAKER pro tempore. On this rollcall 382 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOOD AND AGRICULTURE ACT OF 1965

The SPEAKER pro tempore. The Chair recognizes the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Speaker, I would like to conclude by a few brief comments with reference to some of the lobbying activities and some of the statements and propaganda that have been put out by certain individuals and organizations with reference to this farm bill. I think there have been some of the most vicious and some of the least factual statements put out by the milling and the baking industries that it has ever been my experience to read in connection with any piece of legislation.

As I indicated when this bill was before the Committee on Rules, the majority of the propaganda was pure poppycock and as phony as a \$3 bill. Because of some of the activities of the milling and baking industry, Mr. Speaker, I am today preparing a resolution to introduce calling for a congressional investigation of the milling and baking industry in this country, their monopolistic tendencies and what I believe to be the anti-trust violations of this particular industry as it affects every American, because it does deal with the grocery basket of every housewife in America.

So, Mr. Speaker, I am hoping that a select committee will be set up, or a subcommittee of an appropriate committee of the House to investigate the activities of what I believe to be a giant monopoly, out to feather its own nest.

I might cite one statistic in closing, Mr. Speaker. For example, I note that bread today is selling at approximately 30 cents a pound in the city of Los Angeles. The same amount of bread is selling for approximately 18 cents a pound in the city of Detroit. There are many other factors too numerous to mention, Mr. Speaker, and which I shall not go into at this time. But, as I say, I am hopeful and shall vigorously urge that such an investigation will be held.

Mr. SMITH of California. Mr. Speaker, I yield myself 5 minutes.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, House Resolution 512, upon adoption, will provide for 5 hours of general debate for the consideration of H.R. 9811—the Food and Agriculture Act of 1965. It is an open rule and provides for the bill to be read by titles. Although the testimony before the Rules Committee indicated that there is considerable opposition to the bill, there was no opposition to the “rule”.

There were various requests for time for the general debate—from 4 to 8 hours. The main concern seemed to center around whether or not sufficient time would be permitted to discuss the amendments under the 5-minute procedure. This the Rules Committee can do nothing about. I feel certain, and I hope I am correct, in stating that, in my opinion, the gentleman from North Carolina [Mr. COOLEY] will exercise his usual fairness in being certain that all are entitled to be heard.

H.R. 9811 is an omnibus farm bill. It attempts to cover most all programs in one measure. It contains several titles as follows:

TITLE I—DAIRY

The dairymen's base plan seeks to reduce surplus milk production by removing the necessity for dairymen to maintain maximum production in order to preserve individual participation in the markets for milk. Title I would assign to each producer in a milk order area a fluid milk base, enabling him to receive a higher price for milk consumed in fluid form on a specified part of his production, in lieu of a price on total production for all purposes. This title was not part of the administration's original bill.

TITLE II—WOOL

The National Wool Act of 1954 is continued until December 31, 1969. A floor of 77-percent parity is set on price supports. The administration's proposal to permit a system of graduated payments to producers based upon levels of production was rejected by the committee.

TITLE III—FEED GRAINS

This title continues until December 31, 1969, the present support program. Participants who divert acreage from feed grains to conservation uses will receive payments in kind, as in the past, based on a percentage of price-support rates, per-acre yields, and acreage diverted.

TITLE IV—COTTON

The program is continued until December 31, 1969. It is the same one-price program by which U.S. mills buy cotton at the same price it is offered to foreign mills. There are a number of modifications in the program:

First. The 16-million-acre national minimum allotment is continued, but a domestic allotment is established within this figure, to be less than 65 percent of each farm allotment.

Second. A 15-percent reduction in acreage is required of each participant.

Third. Anyone may stay out of the program and plant an unlimited amount, without penalty.

Fourth. Loans are available to cooperators at 90 percent of the estimated average world market price.

Fifth. Payments to cooperators will include price supports—9 cents a pound in 1966—and payment for retirement of acreage at 50 percent of the loan rate on the projected yield of acreage retired.

Sixth. Acreage retired cannot be reapportioned to other farmers outside the county.

Seventh. The Secretary of Agriculture may enter into contracts permanently retiring land.

Eighth. Sale or lease of cotton acreage is permitted in a county if producers vote to permit it.

Ninth. An exchange of cotton and rice allotments is permitted.

TITLE V—WHEAT

The voluntary certificate program is continued until December 31, 1969, with modifications. A price support at or near 100 percent of parity is authorized. The support price is increased about 50 cents to \$2.50 per bushel, accomplished by higher value domestic certificates, issued to producers to supplement wheat prices which are purchased by domestic wheat users.

TITLE VI—CROPLAND ADJUSTMENT

The Secretary of Agriculture is authorized to enter into long-term contracts calling for conversion of unneeded cropland to conservation projects. Payments would be at rates determined by the Secretary. It is estimated that by 1970, 40 million acres would be under such contracts. Whole farms could be placed under such contracts.

TITLE VII—MISCELLANEOUS

Four major areas are covered by this title:

First. The system of farmer certification of compliance with acreage programs, except for tobacco and peanuts, is expanded.

Second. Through December 31, 1969, growers of tobacco may lease tobacco allotments to other farmers.

Third. The exemption of “boiled peanuts” in the marketing quota, acreage allotment program, and price-support program is made permanent.

Fourth. A study of farm income is authorized.

COST

The total cost of the program over the next 4 years is difficult to determine. It is estimated at between \$18 and \$19 billion. The present wheat program is costing about \$1.47 billion per year, in addition to the costs directly assessed against wheat consumers through the operation of wheat certificates, a cost of \$625 million per year. The feed grain program costs about \$1.5 billion a year. The average cost of the wool program since 1960 has been \$58 million. The cropland adjustment program, at its peak in 1970, will cost about \$700 million per year. This does not include the soil bank program costs, estimated at \$4.17 billion, and the conservation reserve program, estimated to cost about \$2.6 billion.

The 1964 cotton program cost \$860 million; the estimated cost for 1965 is \$725 million.

Mr. Speaker, there is a minority report signed by 11 committee members, additional minority views signed by 4 members, additional views by 1 member, and separate views by 2 members on cotton. My comments from reading the same, and listening to the testimony are as follows:

A primary objection to H.R. 9811 is the failure to raise the CCC's release price on wheat. An amendment was offered to this end, but was rejected by the committee on a vote of 18 to 17. The amendment was to raise the resale price to 110 percent of the support price. Almost all farm organizations favor an increase in the resale price.

The present wheat program with some modifications is retained for another 4 years. The Secretary of Agriculture has set the CCC loan level at \$1.25 per bushel. Farmers who comply with acreage restrictions are eligible for loans and, additionally receive 75 cents a bushel payment on 45 percent of normal production and 30 cents on another 35 percent. He receives \$2 a bushel on 45 percent of his normal domestic production and \$1.55 on 35 percent, and at least \$1.25 on the remaining. H.R. 9811 proposes to raise the level of support on domestic wheat from \$2 to \$2.50. This would require domestic users to pay approximately 50 cents to 57 cents more per bushel. This will almost certainly require a 1- or 2-cent increase in the price of a loaf of bread. This is manifestly unfair to low-income families, the very group that uses proportionally more wheat products than other income groups. On top of everything else, U.S. processors and consumers will be required to pay twice as much or more than the world price.

The cotton program is a costly failure, according to the minority views. It has not lowered Government costs nor brought lower consumer prices. The cost actually rose by \$375 million last year. Department of Agriculture officials admit that their claims for lower consumer prices are still in the future. During the last year, the United States suffered a 20-percent drop in cotton exports, in large part due to the present program.

The language of the title on cotton will encourage more production at a time when the surplus is near a record high.

The minority cite as an example of the kind of thinking behind this bill, that there are two different and opposed provisions of the cotton title relating to production. On one hand the bill encourages the reduction of cotton acreage by cash payments to farmers who cut their present allotments from 15 to 35 percent. The same title also allows any cotton farmer to grow all he wants without penalty and without subsidy. The minority favor moves toward a free market; feel that both provisions in the bill are bound to result in a loss for the taxpayers.

Finally, as to the feed grains program, Government sales policies have contributed to much lower prices to farmers than was necessary. Amendments were

offered and defeated in committee to prohibit the CCC from selling surplus grains for less than 105 percent of the loan level. Under present law the Secretary of Agriculture has authority to control the corn market. He will continue to have this power under H.R. 9811. Testimony showed that an increase in the release price from the present 100 percent to 105 percent would improve corn market prices by an estimated 7 cents a bushel.

Mr. Speaker, my personal comments for what they may be worth, are that for a long time under both Republican and Democratic administrations, the public has been waiting for an end to the subsidy-and-control policies that have made so many farmers so dependent on the Government. New hope was stirred last January when President Johnson, in his state of the Union message, said he had instructed the Secretary of Agriculture to find "new approaches" to the farm problem.

But if any new approaches were found, it is hard to find them in H.R. 9811, the omnibus farm bill which we will consider today. It is a collection of the same tired formulas which have failed to solve the farm problem in the past 15 years. It moves no closer to what must be agriculture's long-term goal—control chiefly by the market, not by the Government.

Long years of experience should have convinced us by now that price supports are unnecessarily costly to the public and do little to help the small farmer. In 1954, for example, only 3 percent of farm income was from Government cash payments. Last year the figure had risen to 25 percent.

Farmers, themselves, when asked, generally vote for less reliance on Government and more reliance on the market. A vote to defeat the bill we are about to consider, H.R. 9811, might force, at last, the new approaches to the farm problem which had been promised for so long, and which some of us still hope may eventually come about.

As I indicated at the start, there seems to be no objection to the rule, but considerable objection to the bill itself. I reserve the balance of my time, Mr. Speaker.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I want to announce to the House that when we go into the Committee of the Whole I intend to offer an amendment which reads as follows:

On page 47, between lines 7 and 8, insert the following: "Sec. 514. Section 379d of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subsection:

"(e) Commodity Credit Corporation shall bear a portion of the cost of domestic marketing certificates required for wheat used in the manufacture of food products equal to the amount by which price support for wheat accompanied by domestic certificates exceeds \$2 per bushel."

The net effect of that is to do away completely with any argument about a so-called bread tax. I never heard more criticism of any provision in any bill

than has been leveled against this proposal to increase the price the millers must pay for wheat, in our effort to maintain something near a fair level of income for our wheat producers. This has been called a bread tax from one end of the country to the other. The fact is that the price of wheat has been going down and down for 15 years, and bread prices have been going up and up for 15 years. However, there apparently is no way to answer the bread tax argument that will draw public attention and sympathy to the problems we are trying to solve in this legislation. We have made a diligent effort to do that.

In introducing this amendment I am taking a consistent position because an amendment that had the same objective was offered in our Committee on Agriculture. I voted for the amendment which was defeated by a tie vote of 17 to 17.

With this amendment which I shall offer it seems to me that the entire wheat bill should be acceptable to everybody in this House.

We also shall propose amendments to the cotton section. Those will be offered by the gentleman from Texas [Mr. POAGE], who is vice chairman of our committee. Their purpose is to strengthen the cotton section and to remove some objectionable features.

The cotton section did not meet with my approval when it came out of the committee. As I said, the wheat part of the bill did not meet with my approval.

After all, I am chairman of the committee of 35 members, and I asked the Rules Committee to give us an open rule so the House could work its will on these two very controversial provisions.

I do not believe that there is any real objection to any other provision in this bill, and with the adoption of the amendment I shall offer and the adoption of the amendment Mr. POAGE will offer, it seems to me the House should approve the bill by an overwhelming vote.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. JONAS. I congratulate the gentleman on asking the Rules Committee to grant an open rule on this bill. As the gentleman has so well stated, it will give the House an opportunity to consider some very needed amendments, and if the bill can be amended as proposed it will meet with more general acceptance on the part of the membership as well as the country generally.

Mr. COOLEY. I hope the amendments will be adopted, and the bill passed.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. TEAGUE].

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding, and I want to say to the chairman of the Agriculture Committee, I thank him for being willing to offer the amendment that I offered in committee,

which failed by a vote of 17 to 17, which will result in the payments to the wheat farmers added to the present law in this bill being financed from the Treasury as will be done in the cotton and wheat programs. The committee put the tax on the consumer. I believe my amendment will make this a much more acceptable bill, and our colleagues will find it more acceptable because the consumers do not want to be saddled with this 50-cent increase.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman.

Mr. COOLEY. I would just like in all fairness to say to my friend, the gentleman from Minnesota, I stated to the House the net result of this amendment of mine would be just what the net result of your amendment would have been. But there is a difference in that herein I direct the CCC to pay this 50 cents, as in all programs operated through that agency of the Government.

Mr. QUIE. I recognize that, but it will still come from the General Treasury and the taxpayers pay for it. In no way can it be passed on to the consumer so that it would be a consumer tax or a processing tax or anything else that you might want to call it.

Mr. COOLEY. That is right.

Mr. QUIE. I am also glad that we have an open rule because I think there are other changes that ought to be made in the bill.

Mr. TEAGUE of California. Mr. Speaker, I have no objection whatsoever to this rule and will vote for its adoption. I do, however, have reservations about and objections to many provisions of the omnibus bill. I think the package approach is wrong. We should have considered these various sections item by item in separate legislation.

I would like to acknowledge that the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY] and the vice chairman, the gentleman from Texas [Mr. POAGE] were most fair in the subcommittee and the full committee hearings and in the final determination of the form which the bill should take.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of California. I yield to the gentleman.

Mr. NELSEN. I understand from the statement made by the chairman of the committee that many of the objections will be met by some of the amendments that will be offered. I hope the House will consider favorably amendments to increase the release price not only of wheat but also of feed grain. The Department policy has worked a hardship on the Midwest feed grain farmers because of the low release price of CCC stocks, and I hope the committee will consider amendments that will correct this inequity.

Mr. TEAGUE of California. I take this time, Mr. Speaker, because I came across a very interesting speech delivered last Friday in the other body. It was not delivered by Senator DIRKSEN or Senator AIKEN or even Senator ELLENDER.

It was made by Senator CLINTON ANDERSON, a former Secretary of Agriculture. I would like to read into the RECORD a few brief excerpts from that speech. These are Senator CLINTON ANDERSON's words and this speech was made last Friday:

* * * we have over the last 30 years created an agricultural program which had validity at the outset, but has since blossomed into absurdity.

Now speaking of feed grains, he says this:

The latest estimate I have seen puts the 1965 cost of the feed grain program at \$1.6 billion. This is roughly \$400 million more than in 1964. Yet, the latest crop report indicates an alltime high in feed grain production—hardly a success story from the standpoint of reducing production and lowering Government costs.

Further, Senator ANDERSON said:

In its report on the farm bill, the House Agriculture Committee stated that the feed grain legislation during the last 4 years "has reduced the feed grain stocks more than 30 million tons from the record high 85-million-ton level at the end of 1960 crop-marketing seasons. It has kept Government costs down from what they would have been if the surplus had continued to rise."

This was the House committee report.

This is what Senator ANDERSON says:

But that was written before the crop report was released. The judgment was premature.

Here is what he had to say about wheat:

The prospective wheat crop—second highest on record—is 7 percent greater than 1964 and 16 percent above the average of years 1959–63.

Here Senator ANDERSON is talking about cotton:

Judging from current cotton production and use estimates, the carryover of cotton will go up—not down.

Much has been said lately by the supporters of the omnibus farm bill now before the House of Representatives with respect to how it would reduce the production of surpluses, cut Government cost, and maintain farm income. If recent history is any criteria, it will fail to accomplish its stated objectives. Furthermore, it would promote and expand the very objectionable philosophy of direct Government payments to farmers.

The normal forces of the market system cannot function when a relative low loan rate is established and direct payments are employed. Farmers respond to the total incentive, not just the loan rate. The crop report dramatically reflects this fact.

As I understand it, the omnibus farm bill now before the House extends and expands Government direct payments to farmers as embodied in the current feed grain, cotton, and wheat programs. We have a fairly good measure of the results to date. There is nothing to suggest that future results will be any better than what we have seen thus far.

It is now evident that the present cotton program has failed to fulfill the claims made for it at the time of its passage by Congress last year. We should recall that its proponents said that, under the program, consumption of cotton would increase, cost to taxpayer would decline, consume prices of cotton goods would be lowered, and the upward trend in manmade fiber use would be halted and farm income for cotton would be maintained. This program has failed on all counts. The proposal for cotton in H.R. 9811 also will fail to solve cotton's problems.

I repeat, my colleagues, these remarks were made by Senator CLINTON ANDERSON, and were made within the past 3 days. As Members will recall, Senator ANDERSON was Secretary of Agriculture under the Truman administration. Certainly there is no greater authority in this field than he.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. O'NEILL].

(Mr. O'NEILL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. O'NEILL of Massachusetts. Mr. Speaker, before the election of President Kennedy, the Members of Congress from the northern cities, and particularly the group from New England, always opposed farm legislation. If one were to examine the record, one would find the lone voter for the farm program in those days was the present Speaker of the House. He would stand alone.

Since the time of President Kennedy most of us from the northern cities have supported the farm bills. When the last farm bill was passed, assistance was given to our textile workers and manufacturers. Some aid was given in the wool program. Some assistance was given in the cotton program.

I, for one, would like to vote for the program now, but there is a "hooker" in the bill. I refer to the section on wheat.

I do not intend, as a Member of Congress this year, to reduce the excise tax on diamonds, to reduce the excise tax on automobiles, to reduce the excise tax on jewelry, and then to put a 2-cent tax on bread so that the housewives of America will be irked at each Member of Congress.

I understand an amendment will be offered by the gentleman from North Carolina [Mr. COOLEY] which will wipe out this so-called 2-cent bread tax.

I should like to have that spelled out in the RECORD at this time, so that I, for one, can go along with the farm bill.

Will this stabilize the price of bread, in order that the farmer and in order that the baker cannot say that the Congress in any way has put an added bread tax on the housewives of America?

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL of Massachusetts. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman is absolutely correct. The bakers will have no excuse for increasing the price of bread to the consumers because of the bill. With the amendment which I will offer, the bill will direct that the funds be paid out of the Commodity Credit Corporation, 50 cents a bushel. It will be exactly the same situation we have now. The bakers will have no right to squawk about it. They ought to be delighted. Certainly the housewives should be delighted.

Mr. O'NEILL of Massachusetts. I thank the gentleman for spelling that out in the RECORD.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker and Members of the House, after a detailed discussion among a good many Members but without any committee action, there has been an informal agreement to offer an amendment to the cotton section which I believe will greatly interest those from the cotton growing areas but which will probably be of little or no concern to those from other areas.

It is my understanding that at least a substantial number of the members of the committee will feel we should adopt two amendments, the one which the chairman just discussed and the one which I shall proposed to the cotton section.

The one to the cotton section does two things in an effort to be fair to all sections—the western section and the eastern section. It will eliminate the opportunity to plant all of one's land in cotton unless it is done by a cotton grower with an allotment. As the bill now stands anybody could come in and get land and plant the whole place in cotton provided he does not take any Government payments. This amendment will limit that right to those who now have cotton allotments. It will keep a lot of speculators out of the program. It is primarily applicable to the newer western areas.

One the other hand, working in the eastern area, we will provide for the crossing of county lines by the released acres and allow them to go to those sections of the State where there is a demand for them. This will answer the objections of a great many of the cotton-growing areas of the eastern part of the belt.

Then we will provide that anyone who receives released acres will only have to make one cut in acreage. He will be required to retire at least 15 percent of his allotment just as any other cooperator. He will have to make a cut of 15 percent on his own allotment, for which he will receive the same pay as any other cooperator receives and he will then be eligible to receive released acres and grow them and receive payment at the low rate. This support which will be 11.42 cents on the domestic allotment portion and 9 cents on the portion in excess of 65 percent and less than 85 percent.

The SPEAKER. The time of the gentleman has expired.

Mr. SISK. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. POAGE. The other phase of this amendment will be to clarify the present provision about which there is some confusion in making sales and leases of allotments. A sale is a sale and if made will continue forever, but we give authority to make such sales for the period of 4 years, only. There is a provision that a grower cannot obtain more than 100 acres of allotment in addition to his present allotment by purchase or lease. These amendments do not in my judgment give us a perfect program, but they greatly improve the program. I am not introducing this amendment as my own but as agent for the substantial group who have studied and worked on this subject.

With those amendments it is believed we will have a much more acceptable program throughout a large part of the Nation. I hope that we will accept these cotton amendments, and pass the bill.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. POAGE. Yes. I yield to the gentleman.

Mr. JONES of Missouri. When you speak of the amendment which would permit the released acres to be reapportioned across county lines, do you make any provision for the pro rata production?

Mr. POAGE. Yes, we do as to all purchase or lease.

Mr. JONES of Missouri. Or take into consideration the yield?

Mr. POAGE. Yes, we do.

Mr. JONES of Missouri. In other words, you are not going to let them yield a half-acre production allotment to an area which produces a bale-to-the-acre?

Mr. POAGE. No. If you are transferring from land that was not making but half a bale an acre to an area where they are growing a bale an acre, you would have to buy twice as many acres in the low producing area as you used in the high producing area.

Mr. JONES of Missouri. You say "buy"?

Mr. POAGE. When I say "buy" I mean where we are buying or leasing because there we are transferring acres from one place to another. You would have to buy twice as many acres if you were selling low producing acres.

Mr. JONES of Missouri. Thank you.

The SPEAKER. The time of the gentleman has again expired.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ANDERSON].

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, I have asked for this time because I do not think that this occasion should pass without noting the fact that the setting for our deliberations today is quite different from what it was a few days ago when we considered an amendment to the Taft-Hartley Act; namely, the bill repealing section 14(b). Even though at that time we were involved in the field of Labor-Management relations, as interrelated as all of the problems of labor and management are, that bill was so very narrowly and carefully constricted and drawn that you literally could not even offer a freedom of conscience amendment. But today when we are considering a farm bill, under an open rule—and I am glad that it is an open rule—we have wrapped up into one great, big gaudy package, in 7 different titles, every single commodity loan program that is presently operated by the Department of Agriculture. And I would second what I think was said earlier by one of the other speakers that I do not think this is the proper way to legislate.

The problems of the farmer, whom I represent in Illinois, the feed grain farmer of northwest Illinois, or the stock raisers, are not the problems of the cotton grower in the Southeast or in the

Western United States. The idea that we have to legislate on the basis of—well, I do not like the cotton part of the bill, but to get something for the feed grain producer, or to get something for the wheat grower, we are going to buy another section or another part of the bill that is not sound, that is not wise, and we do not like it, but here it is, the big package, so we have got to take it or leave it—that is what we are operating today under an open rule.

Mr. Speaker, I also want to make this comment, that those of us on the Rules Committee thought, after listening for several days to testimony before the committee, that we knew what was in the bill. I am glad that I was here today to hear the discussion under the rule because apparently we did not know. And when I read, as I did yesterday, in one of the newspapers, that proposed changes, dealing largely with the wheat and cotton programs, have been worked out in secret conferences in order to placate some opponents, I am now privileged to share the secret and find out just what kind of a bill it is that we are going to be voting on.

Let me say this, Mr. Speaker; it was said earlier by my good friend and colleague on the Rules Committee, the gentleman from California [Mr. SISK], when he said that there has been so much poppycock about a bread tax, when there has been so much in the nature of actual fraudulent misrepresentation, that he wants a resolution to investigate the whole baking and milling industry, that I do not have any mills in my district, I do not have any baking companies, so I would suggest, particularly for them, but I would also respectfully suggest that not all of the bilge has been on one side of this issue. As I have read some of the intemperate statements by the Secretary of Agriculture, some of the remarks he has made, I wonder if we could couple under that resolution a suggestion that we investigate some of his activities, and some of the Federal moneys that have been used to lobby for this farm bill; money out of the Treasury of the United States to put forward his pet ideas and notions; because I think the resolution should be broad enough to cover the whole spectrum.

I doubt very much whether it is poppycock, in view of the fact that the Secretary admitted 0.7 cent would be added to the price of the pound loaf of bread. I do not care whether it is 0.7 cent a pound or a 2-cent-a-loaf bread tax, but that is what this bill originally included and still includes as it stands and is before us at the present time.

Mr. Speaker, I also want to say that I was a little bit disturbed after listening to the distinguished chairman of the Agriculture Committee, the gentleman from North Carolina [Mr. COOLEY] when he explained the amendment which he proposes to offer, and then said that this, of course, would satisfy everybody, that this ought to take care of any and all objections to this bill. Believe me, anybody who feels that way has not read the bill, has not read the hearings, and does not know what is involved, because it is far more than a bread tax.

To be sure, the principal fire has been aimed at this provision, and I think it was a bad one. But there are many other things in this bill that are bad. Let me quote just a sentence or two from a former Secretary of Agriculture, who said this:

It is my honest opinion that we must move toward a market price system rather than reliance on Government-rigged production controls and compensatory payment programs. A Government warehouse is not a market.

That was not Ezra Taft Benson who said that, Mr. Speaker. That was a former Secretary of Agriculture under the Truman administration who now sits in the other body.

And, as has been pointed out, when you consider that we have spent something like \$6.8 billion under the feed grain portion of this program, sure, they have reductions in the tonnage in the CCC stocks, sure, as I think the gentleman from Texas [Mr. POAGE] said, they have gone from 85 million tons to something like 50 million tons. But, wait, let us look at the price we have paid and let us consider whether or not that has been an efficient and economical way of reducing Government surplus.

Mr. Speaker, I believe if the Members will study this bill and the hearings as well as the report they will be convinced that in addition to the bread tax, in addition to the deficiencies in the cotton title of this bill, that there are not other sections as well that must have amendment on the floor of the House before we can support it.

Mr. SISK. Mr. Speaker, I yield 6 minutes to the gentleman from Iowa [Mr. SMITH].

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Speaker, it seems like every time one of these farm bills comes to the floor we hear a great discussion that is based upon the general theory that the price of the finished product is controlled by the price of raw materials covered in this bill. It is not so, and I am going to prove it to you. We heard three or four times today about the bread tax, and there has been a most concentrated campaign for the past month claiming the bill includes a bread tax.

Mr. Speaker, I did a little shopping over the weekend, just like I did 2 years ago when this bill came up, except that this time I shopped for more articles.

Mr. Speaker, I shopped for some price-supported products and also for some that are not price supported, and I want to show you what I bought.

First of all, Mr. Speaker, here is cornmeal. This is the package I bought 2 years ago. The price on it was 47 cents. I bought the identical brand over the weekend. The price was 49 cents. That is 5 pounds of cornmeal, pure cornmeal. It is 2 cents higher but corn prices to farmers have not increased.

In addition to that, Mr. Speaker, I bought 5 pounds of flour.

Here, Mr. Speaker, is the 5 pounds of flour, and on it you will find a price of 59 cents. These are price-supported prod-

ucts. Both corn and wheat are what some people call terribly high price supported products that you have been hearing about.

Then, in addition to that, I bought a loaf of bread the day after the wheat referendum had been defeated 2 years ago. It was a 1-pound loaf of bread, bought in Des Moines—Colonial bread—a 1-pound loaf, a "big old-fashioned, enriched," loaf of bread, for 23 cents. The tag is prominently displayed on the end of the wrapper.

I bought another identical loaf over the weekend. During that 2 years, there has not been any change to millers in the price of wheat.

I bought a loaf of bread over the weekend and, you know what the price was for the identical bread? Twenty-five cents. The price is prominently displayed on the end. This will prove to you that you cannot be guaranteed by anything either in or out of this bill as to what the price of bread is going to be 2 years from now.

Mr. Speaker, I do not know about all of these statistics but I do know what we pay for these items at the grocery store.

Mr. Speaker, this loaf of bread was 2 cents higher last weekend than it was 2 years ago. Yet there has not been an increase in the price of wheat to the miller.

In addition to that, I thought that I ought to look at some other articles, and I found one that was listed at 69 cents. What in the world do you suppose could sell for 69 cents? That is 10 cents higher than flour and 20 cents higher than cornmeal. It is 40 percent higher than cornmeal. It is wild birdseed, 5 pounds for 69 cents. That should help any bird to sing. It contains wheat, millet, peanut centers, some buckwheat, and a little bit of sunflower seed. You have not heard of the Wheat Users' Council complaining about the price of birdseed, containing wheat, have you? There it is. Sixty-nine cents for 5 pounds of wild birdseed. I do not know what it would be if it were tame birdseed.

Mr. Speaker, we have another little package and it is a multicolored package, a rather attractive blue, red, and white package.

Well, this little 5-pound package cost 55 cents. What do you suppose that would be? It is cat litter. Five pounds for 55 cents. It costs more to scratch like a cat than to eat hot biscuits or cornbread.

There is another little item. I did not want any part of the country to be discriminated against, so I thought I would go to Appalachia. Here it is charcoal. That is all it is, charcoal, 5 pounds for 51 cents. That is not a price-supported product but the cost of 5 pounds for 51 cents and that is more than the cost of 5 pounds of cornmeal.

Well, you know, I thought we ought to get down to earth, so I bought something that was 69 cents that was really down to earth because all it is—is earth. It is "Green Thumb" potting soil, 5 pounds for 69 cents; cornmeal was 49 cents for 5 pounds but if you want the plain dirt, 5 pounds costs you 69 cents. Corn is not just dirt cheap, it is cheaper than dirt.

If a farmer got a penny out of that bag of dirt, I will eat all of the turnpike from here to Chicago.

I thought I should see what is going to the dogs, so I bought 5 pounds of dogfood. What do you suppose that cost? Seventy-three cents for Gaines New Dog Meal. Seventy-three cents—50 percent more than it costs for cornmeal. It cost more for dogfood than human food covered by this bill.

You have not heard of any of these protest groups protesting the price of dog-food, have you? Maybe I should form one. I have three of them—at least, that was at the last count.

Then, I see my friends from Kentucky on the front row. I figured they would be there, so I got something from Kentucky. It is only 2¾ pounds, but it is 89 cents—that is 30 cents per pound. It is just chunks of hickory wood—2¾ pounds for 89 cents.

I thought I also should get something produced by the folks in New Jersey. I got a big bargain package at \$1.15. You know, you get more if you get a bigger family-size package. This is a 10-pound package for \$1.15, the same price as flour, and it is 17 percent more per pound than for cornmeal.

Now, what do you suppose would cost that much? I had to wrap some plastic around it. You will know why in a minute. It is a nice big bargain package. Of course, it must be some very luscious food to cost that much! What do you suppose, it is? It is cow manure. It is just plain, old unadulterated cow manure. A shopper complains about 80 cents per gallon for milk but who has complained about the price of cow manure?

You people from New Jersey have something by the tail here, and may not know it. If any of you doubt that it is the real McCoy, take a whiff of it. Surely no one from New Jersey will complain about, for instance, the price of corn or wheat when you are receiving that kind of money for your product. This leads me to ask if our dairy farmers should re-evaluate which end of their production is the by-product. In view of this price for that stuff the Republicans tried to sell last year during the campaign, it is no wonder they had a million-dollars left over. So, while eating your hot biscuits on a cold and frosty morning next winter, and complaining about the price of wheat and corn, you can think what it would be like if you could just afford to be a cat, if you could like like a dog, or if you could afford to be a canary or if you could really live high on the hog, and could afford 10 pounds of manure.

Anyway this should prove that the price one pays in the grocery store is not controlled by the price of the raw product included in this bill. And consumers' councils that alleged this just have not been shopping lately.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. NELSEN].

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Speaker, now that we have been so well entertained for a few minutes, I would suggest that per-

haps we ought to go to the Department of Justice to investigate the matter if they are getting such healthy prices for the products that we saw displayed here.

I would first of all thank the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY] for his introductory remarks in which he called our attention to the fact that we would have an open rule. He referred to the fact that some amendments would be offered which I think we all agree will improve the bill. I would feel the atmosphere is one that would be in favor of accepting amendments to make this a better bill.

I live in a feed grain area where we are livestock farmers. We have a dairy herd on our farm. I never sell any grain, and every pound of grain and hay that we raise we feed on the farm. I am very much concerned about the feed grain section of this bill and the dairy section. But I want to relate a little history of this feed grain legislation and point out that at the time the first feed grain bill was presented to congressional committees, the Secretary of Agriculture, who had always been an advocate of high supports, to our amazement came in with a bill setting the support at 74 percent of parity. He then requested the authority under the law to sell CCC surplus stocks at levels below the support prices, and his theory was that with this club he could drive the farmers into that program. It so happens that some of us do not have a feed grain base on our farm and we could not be in the program if we wanted to be. But we would be subject to the damage done under such a procedure. I do hope in the deliberations today, the committee will favorably consider some amendments to the bill that will require a release price at a little higher level—and I am not asking for anything unreasonable—not only on wheat but also on feed grains.

The thing that farmers such as myself have been faced with—I know what I am talking about—is the fact that the corporation farmer that everybody screams about can go to the Commodity Credit Corporation and he can buy grain cheaper than I can raise it. He can feed cattle in a huge feed lot in competition with me and can make money because his feed is bought below the support price. He can put his finished product in the packing plant and make money while I have my costs that are fixed and cannot compete with him. This has been a devastating thing to the Midwest. I want to point out that the Secretary of Agriculture himself has demonstrated the wisdom of what I say. He has always stated that cheap feed means cheap livestock, and yet he has made feed cheap by the use of this authority granted to him. I wish to further point out that by virtue of this fact, those of us who are trying to make a go of it on the family farms have been competing with the Government of the United States. If we increase the release prices a little bit, the Government will be better off and we will be better off.

The Secretary himself since last fall has changed a little on the policy. He has allowed some fluctuation in the mar-

ket by holding CCC stocks at about 105 percent of loan price. He has been more cautious in his conduct and as a result prices have increase a little, the CCC has acquired less stocks, and livestock prices have improved. He himself has demonstrated the wisdom of what I say.

I believe the law should require that the Secretary operate in that manner in the future.

I believe the atmosphere here on the floor is and should be one of listening to one another and yielding a little here and there. That has been demonstrated by what our good chairman said. I hope, as we go through our deliberations, we can make a forward step.

I would further urge this House to think about the wisdom of the words of our colleague in the other body, the former Secretary of Agriculture [Mr. ANDERSON] who has been one of the soundest farm advocates over a period of years that I know of. In remarks on the Senate floor last week, Senator ANDERSON offered the following advice:

Based on the facts, it seems to me imperative that we take a real look at the current and proposed price support and adjustment program for agriculture. We cannot continue to pour out billions of dollars annually for programs that are aggravating the situation rather than solving some of the problems of overproduction. It is my honest opinion that we must move toward a market-price system rather than reliance on Government-rigged production controls and compensatory payment programs. A Government warehouse is not a market.

I might also point out that I disagree most heartily with the Secretary of Agriculture in his statement before the committee, when he said, "we must not yield to the temptation to make prices so high the programs become unworkable."

I would point out that in 1964 the parity level of income was 75 percent of parity, the lowest since the depression years. It is too low.

Another thing I should like to point out to our good chairman is that I hope the colloquy will nail down and clearly indicate the intention of the Congress relative to the assignment of a base to a farm. I operate 440 acres. Because of a rotation practice my son in this operation lost his base in the year 1959-60 on 160 acres of land on which feed grains had been raised for 100 years. To this day, he does not have a single base acre. I believe that is because of arbitrary decisions on the part of a local committee, but I believe we should write into plain language what we mean and what we expect.

I have talked to the chairman privately about this. I am sure he will assist in getting some language in the bill to do that very thing.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Speaker, in recent weeks quite a battle has raged around the country over whether the price of bread has gone up in the past year or not; that is, has there been an adverse effect on the price of bread resulting from the bread tax bill the Congress passed a year ago? Secretary Freeman has denied that bread prices are up. The

statistics of his own department indicate they are up. The argument ought to end here and now. The gentleman from Iowa [Mr. SMITH], very kindly just gave us visible proof that bread prices are up. They are up 2 cents a loaf over last year.

As we consider the amendment which the gentleman from North Carolina indicated he will offer, to provide for a general revenue financing on the proposed 50 cents hike in certificate value, let us remember that the bread tax bill which helped to force up the price of NEAL SMITH's bread will still be in effect whether the amendment is accepted or not. The value of the present bread tax, by Secretary Freeman's own figures, comes to more than 1 cent for each pound loaf of bread.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, the price to the miller has not increased one penny per bushel because at the time the certificate cost was added, the market price was reduced by the same amount. The price to the miller has not increased and any increase in the cost of bread has not been caused by the certificate provision that was added 2 years ago.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AID TO HIGHER EDUCATION

Mr. SISK, from the Committee on Rules, submitted the following privileged resolution (H. Res. 527, Rept. No. 803), which was referred to the House Calendar and ordered to be printed.

H. RES. 527

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9567) to strengthen the educational resources of our colleges and universities and to provide financial assistance for students in postsecondary and higher education. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FOOD AND AGRICULTURE ACT OF 1965

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Gov-

ernment costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9811, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 2½ hours and the gentleman from Pennsylvania [Mr. DAGUE] will be recognized for 2½ hours.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman I yield myself 5 minutes.

Mr. Chairman, I present now H.R. 9811, the omnibus farm bill. This is one of the most important pieces of legislation to be considered in this 89th Congress. I shall discuss its purposes and provisions briefly, in the thought that this may be helpful to Members, as the debate begins.

I announced earlier, during consideration of the rule, that certain amendments would be offered to the wheat and cotton titles of the bill, with the view to removing controversy and to enable the House to approve this legislation by a substantial vote.

The amendment to the wheat title will eliminate the so-called "bread tax" issue. The amendments to the cotton title will remove some objectionable features with respect to the program for this important crop. We shall discuss these amendments in detail as the debate here progresses.

Mr. Chairman, H.R. 9811 incorporates the successful features of past programs and draws on new proposals in a determined and comprehensive effort to meet the basic needs of farmers, consumers, and taxpayers.

Gains have been achieved in agriculture in recent years, but farmers still find themselves lagging behind as other segments of the economy move upward during these most prosperous times.

In opening the discussions on these proposals which seek to build on successful farm provisions of the past, it is fitting to review accomplishments achieved from legislation in recent years.

The grain surplus is disappearing—down more than one-third from the 4.5-billion bushel peak at the end of the 1960 crop marketing season.

Government wheat costs are down—more than \$300 million less in the fiscal year just ended than in the previous fiscal year.

Farm wheat income is up—combined crop value and income for the past 4 years totals nearly \$4.4 billion more than the 1960 level.

Consumers continue to enjoy food abundance—only 18.5 percent of the average family's take-home pay is spent for food, less than last year and considerably less than a few years ago.

Farm exports are at record levels—more than \$6 billion last year and at least as high this year.

Overall farm income is up—net income in 1965 will be higher than in any year since 1953.

These are notable accomplishments which are established facts. They cannot be denied by those who find fault with all efforts to help agriculture and who continue to raise doubts concerning every proposal advanced to consolidate these gains.

While these advances are gratifying and point the way hopefully to increasing betterment in the future, we cannot overlook the sad truth of the continuing erosion of the farmer's position relative to the remainder of the economy. He is further away from a parity income than he was 15 years ago even though the Nation has been enjoying increasingly prosperous times.

Only a small proportion of the Nation's farmers earn a decent hourly wage. In fact, the farmer in 1964 averaged about \$1.05 per hour in providing this country with the abundance it enjoys. This is below the national minimum wage and far less than the \$2.60 per hour earned by industrial workers.

Even though farm prices have moved upward from their low levels of a few years ago, farm prices in 1964 were 15 percent less than they were 17 years ago. What other major industry in this country has suffered an overall price decline of this magnitude since the late 1940's. The answer is obvious.

Equally alarming is the rising level of farm debt. Caught in the tightening cost-price squeeze, the farmer in a desperate effort to increase his gross income is forced to go further and further into debt as he seeks ways to increase his efficiency. In the past decade, farm debt has doubled and since 1960 has increased by 50 percent. This reduces the margin of economic resources that he can draw on and makes him increasingly vulnerable to any further decline in the farm price level.

Farm commodity programs which the omnibus bill would improve and strengthen are the barrier against a catastrophic drop in farm income. The programs included in the bill encompass commodities and farm output either directly or indirectly that account for more than two-thirds of yearly gross farm income. This leaves little doubt as to the far-reaching implications of the decision that the Congress must make on these proposals. Every study made of the impact on farm income if farm commodity programs were eliminated points to a drastic drop with net income sliced at least in half.

Most of us from farm areas are acutely aware of the significance of farm commodity programs not only for agriculture but for the rest of the Nation. It is not unreasonable to assume that many of you who represent metropolitan areas are also aware of the stake your constituents have in maintaining an economically healthy agriculture to assure continuing abundance of food and fiber.

The commodity programs are a part of the price we pay for abundance. And

this price cannot be measured solely in dollars and cents. Would any of us put a price on starvation? In the time of man, no nation has matched the volume and variety of food available to U.S. citizens at a reasonable cost in relation to income. In many countries, food alone takes as much as 50 percent of each individual's income. In many other nations, an ample food supply is but a dream for the future.

So to consumers, abundance means an ample and reasonably priced food supply. But what does abundance mean to farmers? Without some form of market protection, it means distressed prices because abundance requires just a little bit more than is actually needed. For every 1-percent increase in farm production beyond needs, prices fall by a much larger percentage. This circumstance, if permitted, would doom the family farmer whose thin resources would soon be exhausted in the struggle to meet his living and production costs with constantly decreasing prices for the things he produced.

Every instinct of the hundreds of thousands of family farmers is to produce even though the end result of abundant production comes out of the farmer's hide. Most other segments of the economy have better control of their output and are conditioned to keeping it in line with needs at a price returning ample profits. Would it be desirable in the national interest to govern our food supply in this same fashion?

Yet, should the family farm pass into oblivion as well it might without adequate income safeguards, farming would become a corporate enterprise with much tighter control on agricultural output. By its very nature, a corporate enterprise's every instinct is to make a profit. And this is proper in the free enterprise system. Without a doubt, this kind of a farming structure would be geared to a production level designed primarily to maintain a normal profit over cost. Agricultural abundance as we have known it would also pass into oblivion.

It is of the utmost practicality from every standpoint to preserve our present farming structure. There are some who would experiment with our future food supply under the guise of freeing farmers from some imagined bondage. There is no worse bondage than the bankruptcy which hundreds of thousands of family farmers face without the assistance the Government provides just as it does for other segments of our economy through tariffs, mail subsidies, minimum wages, fair working conditions and countless others.

Most of us are unwilling to gamble in so vital an area of national requisite as our food supply—just as we are unwilling to gamble on the dream of peace by stripping our military structure as a measure of reducing Government costs. We have constant dramatic reminders of the essential need for national preparedness. Food is of the utmost importance to the security of our Nation. Yet, because agriculture has always responded to the demands placed upon it in times of peace and times of national emergency, dare we assume that it can be allowed to drift

into an uncertain future and still retain its producing capabilities? We cannot shirk our obligation in providing the basis for a strong and healthy agriculture for the future.

Even though all consumers have an essential stake in a continuing adequate level of food and fiber, hundreds of thousands of them are closely tied to the welfare of the farmer. These are the consumers who provide the services and work in the factories to make the goods and equipment farmers need each year to produce crops and livestock. Farmers spend more than \$40 billion a year for automobiles, farm machinery, oil and gas, rubber and steel goods, and many other products, countless services and items needed for family living. Farm buying power reaches every section of this Nation for goods and services, and its influence on the national economy extends far beyond the rural areas. Frequently, those of you who live in metropolitan areas overlook this significant interrelationship in your annoyance over rising food costs which are laid on the farmer's doorstep. Of course, food prices have gone up in recent years, but the onus should not be put on farmers. Average expenditures per person for food in the United States increased by \$105 from 1950 to 1964. Marketing firms—that is, the people and businesses operating between the farm fields and the retail food counter—received \$104 of the \$105 added consumer expenditure. Farmers received only \$1 of the added \$105 cost.

We have reviewed some of the basic facts pointing to the importance of agriculture in our national life and the many compelling reasons for a continued vigorous farm program to meet the problems of modern day farming. In this spirit, the House Committee on Agriculture fashioned the omnibus farm bill giving recognition to the interest of farmer and consumer and to their mutual interest as taxpayers. We have been working since January developing this legislation. No farm bill ever received more thorough consideration.

It will cut Government costs, maintain farm income, and keep food and fiber at abundant reasonable prices. It will meet these objectives with provisions that seek a middle ground bridging across the diverse interests that always prevail in any consideration of farm legislation. The committee, in drawing upon the many suggestions offered, screened some objectionable features out of the administration's proposal, and modified others to a more intermediate position among the conflicting interests represented at the hearings. We have not, nor will we ever, reach the millennium when all are completely satisfied with legislative proposals on agriculture. The bill, however, does, in general, provide a practical and workable answer to the more pressing agricultural problems.

The strength of the omnibus bill is that it draws heavily on features that have been tested during the past few years and have been proven undeniably successful. It will continue the reduction of the grain surplus with improve-

ment in income for farmers who produce these crops. It will move toward a lowering of the cotton surplus with modified features borrowed from the wheat and feed grain programs. It will give dairy farmers in the major milkshed areas an opportunity to cut down on their surplus milk production which returns barely enough to pay these costs. It offers a comprehensive approach to longer term cropland retirement at a lower cost than under the wheat, feed grain and cotton programs. Tied to this, is the opportunity to broaden the use of farmland to meet the basic needs of the expanding urban population for more open space and recreational areas. It will continue the wool program which has worked well for more than a decade.

FEED GRAINS

It is crystal clear that the feed grain program has met the test of time and is working. Feed surpluses are receding and carryover stocks going into the 1965 crop marketing year will be down to 55 million tons, the smallest since 1957 and down more than 35 percent from the record level of 85 million tons at the end of the 1960 crop marketing season.

It is difficult to understand how some can challenge the effectiveness of this program in light of the dramatic shift in the feed grain situation. The surplus is down, farm income from feed grains is up, market prices are higher, and exports are increasing without a Government subsidy. Government costs have been much less than if the surplus had continued to build up as in the 1950's.

Critics certainly cannot ignore the tremendous production potential of the Nation's feed grain farms. More than the equivalent of 1 year's plantings of feed grains has been held out of production during the 5 years of the program. If planted, this acreage coupled with the rising trend in yields would have swamped us in feed grains. Market prices would have been lower, the surplus and Government costs would have been higher and the stability of the livestock and poultry industry would have been seriously threatened by the stimulus for overproduction from an ever increasing supply of feed grains at a lower and lower price.

Yet some urge a return to the program of the late fifties or even worse to a program providing less price protection to feed grain producers. The committee rejected this philosophy and approved with some modifications the basic provisions now in effect. Price support would be in a range from 65 to 90 percent of parity for corn (with comparable levels for the other feed grains). This would permit support prices around current levels. Participants by diverting acreage feed grain production to conservation uses would continue to receive payments in kind to maintain income. A part of the price support would be in payment form to allow the marketplace to set prices.

WHEAT

The wheat certificate program has been severely criticized, but during its first year of operation it has clearly accomplished its objectives. Farm income

from wheat has been maintained at about the level of recent years. Government wheat program costs have been reduced. Further inroads have been made in the wheat surplus. Retail wheat product prices have remained stable. Profits of the major flour millers and bakery concerns in most instances are higher during the period of certificate program than immediately before it.

The wheat certificate provisions of the bill would give wheat farmers a much deserved raise in their price. As approved by our committee, it would do this by returning some of the cost to the marketplace. Under the amendment I shall offer, the cash of this raise for producers will be paid for by the Government. Both wheat and feed grains, the legal resale provisions for Government-owned grains would not be changed by the bill. It would be continued at 105 percent of the support price plus reasonable carrying charges. Under past programs, this provision has worked well and permitted a substantial movement of surplus grain into use while farm prices have moved upward. It is unwise to tinker with a provision that has worked successfully. Furthermore, the basic changes in both the feed grain and wheat programs remove the Government further from the price setting role, thus lessening the need to be concerned about this provision.

COTTON

Rising cotton surpluses demand immediate and forceful action. There is discouragingly little agreement as to what should be done. The cotton provisions basically adapt the successful features of the wheat and feed grain programs in meeting the dual problem of too much production and the need to maintain farm income.

Cotton farmers could divert acreage from cotton program and receive varying payments to maintain their incomes. Those farmers who want to grow cotton at world price level could do so just as the feed grain and wheat farmers have been able to make this choice under the voluntary programs for these crops.

Cotton users could buy domestic cotton at the same price as foreign merchants and processors, thus continuing the one-price system established in 1964. This system removed the inequity under which the textile industry has operated since 1956. Under the one-price arrangement, U.S. manufacturers are using substantially more cotton than in 1963-64.

A reduction in surplus stocks through reduced plantings and increased domestic consumption and exports would result in lower Government costs for the cotton program. Without some change in the current program, the cotton surplus can be expected to rise substantially and Government costs skyrocket.

CROPLAND ADJUSTMENT

The cropland adjustment program would be a valuable adjunct to these commodity programs. It would concentrate on a longer term retirement of land than would be possible under the yearly commodity programs. In return for the longer term contract, the Gov-

ernment could retire the acreage at a lower cost.

However, there are other attractive features in this program. It would provide the means for older farmers near retirement to continue to live on their farms with an income. It would offer a basis for other farmers to shift their land resources into new ventures, such as recreation or wildlife farming.

It recognizes the expanded need for land and open space for our urban population and would enable cities and towns to work with the Federal Government in acquiring land for recreational and other purposes.

DAIRY

The dairy provisions would enable dairymen to cut their production in Federal milk marketing areas without suffering a proportionate cut in their share of the fluid market. It would relieve them of the necessity of pushing their production higher to maintain gross return as they now must do under the blend price system. They are caught in a vicious circle, as production goes up the blend price goes lower.

Under these provisions, they would be paid the higher fluid price for their share of the fluid market in an area. Their incomes would improve as they could eliminate uneconomic production. To the extent uneconomic production is eliminated, the surplus dairy product purchasing under the price-support operation would be reduced.

WOOL

The wool program which has operated successfully for more than a decade would be continued by this legislation. The only basic change would raise the minimum level of support to 77 percent of parity from the current 60 percent minimum. Based on current parity, this would be 64.1 cents per pound. The support level for wool has been 62 cents per pound since the program started in 1955. As the parity price for wool has steadily increased, this support price has been a declining percentage of the parity price—from 106 percent in 1955 to 74 percent in June 1965. The higher minimum support level would provide a support price reflecting increases in parity prices and help cover higher production costs.

OTHER PROVISIONS

Other provisions would expand the farmer certification of compliance with the acreage provisions of various programs which have been carried out successfully on a pilot basis for the past 2 years. It would reduce administrative costs. The present authority permitting tobacco growers to lease their allotments to other farmers would be continued. The "boiled peanut" exemption in the definition of peanuts in the acreage allotment, marketing quota and price support programs would be made permanent.

We need more specific information and guidelines as to the income position of farmers in relation to the rest of the economy. Dramatic changes have taken place in agriculture since World War II period. Overall productivity of farms has risen sharply and may be offsetting

a part of the farm price decline registered during the past several years. On the other hand, farm costs have gone up and this is shown by lower net farm income over the years. Yet, per farm income is up reflecting the fewer number of farmers. All of these factors and others such as rising farm debts must be pulled together into a combined appraisal of where the farmer stands in our growing economy. This act provides for a study to be made of the parity income position of farmers leading to a recommendation for the development of a specific income formula.

CONCLUSION

The provisions of this act will maintain or increase farm income while at the same time moving toward lower Government program costs. It will not go as far in either direction as might be desirable but this has been governed to a considerable extent by the many conflicting interests that would be affected by the act.

Costs attributed to the 4-year life of this legislation have been inflated by some. There was an attempt to include in the cost of this legislation the Public Law 480 cost for these commodities, which clearly is not involved. The cropland adjustment program costs for the 4-year period were put at between \$3.5 and \$5 billion in a well circulated statement. The 4-year cost would be less than \$1.5 billion and this expenditure would represent only about 80 percent of the cost of diverting the same acreage under the annual wheat, feed grains, and cotton programs. The cotton provisions would make a start toward reducing the cotton surplus. This would save money.

Of course, these programs cost money and the costs should be reduced. This is what we are attempting to do. But let us be realistic. We cannot cut agriculture off and expect to survive. Increasing productivity which provides the farm abundance so vital to consumers would destroy farming as we know it. We cannot return to the programs of the 1950's with falling farm income, lower prices, and bigger surpluses. During the 4 crop years 1957 through 1960, the grain surplus increased by nearly 1.5 billion bushels. During the past 4 years, it has dropped by 1.6 billion bushels, farm income is higher, prices are up. There can be little argument as to the better course.

Mr. Chairman, I shall yield later, to the chairman of the subcommittee to discuss the separate sections and then I may have some closing remarks.

Mr. DAGUE. Mr. Chairman, I yield myself such time as I may require.

(Mr. DAGUE asked and was given permission to revise and extend his remarks.)

Mr. DAGUE. Mr. Chairman, I rise in opposition to H.R. 9811, the omnibus farm bill.

As the debate proceeds on this very comprehensive—and I might add, very expensive—bill, I think the House will find that it is one of the most complicated and contradictory pieces of legislation that has come before this body in some time.

In the first place, this is another omnibus bill. It has provisions dealing with

dairy products, wheat, feed grains, wool, cotton, land retirement, boiled peanuts, tobacco, and parity studies. It consists of 54 pages and, believe me, it is highly technical legislation. As is the case with most omnibus legislation, this bill contains some features which, in my opinion, have merit. Unfortunately, though, none of us can split our votes on final passage. It must be either "yea" or "nay." In my opinion, the demerits of this omnibus bill outweigh its virtues, and I intend to oppose its passage.

My first reason is that H.R. 9811 proposes to extend the wheat, feed grain, and cotton programs for 4 years. Four years is just too long to let these massive and expensive programs go unchecked and unsupervised.

Ordinarily the Congress can maintain annual supervision of the programs it enacts through the appropriations process, but in farm legislation where most of the financing is done by the Commodity Credit Corporation, Congress simply does not maintain any effective method of supervising and controlling expenditures and activities. It is only when it is too late—only after the back door of the Treasury has been opened—that Congress comes into the picture again to reimburse the Commodity Credit Corporation for its losses.

These losses are of considerable moment, Mr. Chairman. In 1964 the cotton program alone cost \$860 million. The wheat program alone cost \$1.4 billion in 1964, and that cost was exclusive of the value of wheat marketing certificates which were paid for by U.S. consumers. Finally, the feed grain program in 1964 cost another \$1.5 billion.

I would really like to believe that H.R. 9811 would make these programs less expensive to the taxpayer. I am sorry I just cannot believe that though, because we have heard that promise too many times in the past with no tangible evidence ever following these promises.

Being a 4-year bill, H.R. 9811 will, if enacted, not be fully accounted for until 5 years from now. This just should not be done if we are to maintain some congressional control over the expenditures of the public's money.

Actually, I have been one who thinks our price support and farm income problem can be dealt with much more effectively than has been the case in the past.

In that regard, I support the concept of the creation of a bipartisan, blue-ribbon, agricultural task force to seriously study the farm problem and to make long-range recommendations toward sound solutions to these problems in a world where population is expanding at alarming rates.

This concept has been endorsed by the President of the United States as recently as January 4 of this year when he stated in his farm message to the Congress as follows:

Accordingly, to assist in adapting our farm programs to the needs of tomorrow, and in making rural America a full partner in our national economic progress, I intend to conduct a fundamental examination of the entire agriculture policy of the United States. I will reorganize the National Agricultural Advisory Commission—which has made an invaluable contribution in years past—into a new Commission on Food and Fiber. It will

be broadly representative of rural communities, consumers, producers, industry, government, and the public. I expect it to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America.

The omnibus bill sent to Congress by the administration sought only 2-year extensions of most of these programs. The Committee on Agriculture has made this a 4-year bill in most instances.

It should be obvious to everyone concerned that a 4-year extension of the major commodity programs will leave very little in the way of substantive recommendations for any bipartisan commission mentioned by the President.

This commission would be left pretty much as an academic debating society if H.R. 9811 were enacted, and our overall farm policy would only stumble along for another 4 or 5 years without the basic reforms that are needed to bring farm prosperity and fair treatment to American consumers.

Clearly the present commodity programs of the Department of Agriculture are not meeting the needs of modern agriculture, the American consumer, or the U.S. taxpayers.

Ten years ago the farmer received 42 cents from every consumer food dollar—today he receives only 37 cents, less than in the depression days of 1935. Retail food prices have increased 29 percent in the past 16 years, while the net income of agriculture has gone down 29 percent. Yet, farm production and the number of consumers have risen.

Internal Revenue Service analysis of farm tax returns reveals that the number of farmers reporting a net loss increased from 29.8 percent in 1962 to 34 percent in 1963. Only 15.4 percent of the business and professional group showed a net loss for 1963.

Farm production expenses in 1947 averaged 57.6 percent of cash receipts from marketings. Production expenses last year were 80.1 percent and rising, a level almost as high as during the depression, when, in 1933, the figure was 80.9 percent and last month the index of prices paid by farmers reached an all-time high.

In addition, recent modest increases in realized net farm income have been more than offset by ever-increasing costs to the general taxpayer. Total Government payments to farmers in 1964 were, according to the February 1965 "Farm Income Situation," \$2,168 million, compared to \$1,686 million in 1963. In 1965, these payments are expected to reach \$2.5 billion. Yet, according to the April 1965 "Farm Income Situation," realized net farm income in 1964 was only \$12.6 billion, or about the same as it was in 1958 when it also was \$12.6 billion and Government payments were only a fraction of the present level.

The parity ratio, a Department of Agriculture index which weighs the prices a farmer receives against the costs of the things he buys, has dropped from 80 in 1960 to 75 in 1964, the lowest level since the depression days of 1934.

Federal expenditures for stabilization of farm prices and income have increased enormously in the past few years. For every dollar spent for this purpose in

1948, \$25 is being spent today. Expenditures in 1957 were \$1.6 billion for price supports—last year they were \$2.6 billion. During the last 3 years, the present administration spent more than twice as much as was spent for this purpose during the entire period from 1932 through 1941, the beginning of World War II.

Although the cost-price squeeze is forcing more and more farmers off the land, the cost of running the Department of Agriculture is not going down. Back in fiscal year 1933, for instance, there was 1 USDA employee for every 203 farms in the United States. In 1961, the ratio was 1 to 37. Today there is 1 USDA employee for every 32 farms.

In addition, farm debt—exclusive of CCC loans and guarantees—now stands at an alltime record of over \$36 billion. In way of comparison this represents an amount of money equal to the expenditures of the Federal administrative budget in 1948. At the same time the Commodity Credit Corporation investment in surplus farm crops, while down in grains, is up in cotton and stood at \$6.8 billion on May 31, 1965.

As the debate commences on this bill, I think it would be useful to review just what has happened to it in the Committee on Agriculture since it was sent to us by the administration last April.

A number of significant changes were made in H.R. 7097, the administration's original request.

First. A cotton title was added. The administration made no recommendations on cotton in their bill. The Committee on Agriculture approved the cotton title of H.R. 9811 by a vote of 18 to 14. As indicated by the additional minority views which I signed and the separate opposing views of the gentleman from Arkansas [Mr. GATHINGS] and the gentleman from Mississippi [Mr. ABERNETHY], the cotton proposals in this bill are most unwise.

Naturally, we do not grow one single boll of cotton in Pennsylvania, but we do raise a goodly number of taxpayers who will be required to pay for this program.

It seems most foolish to me to expend literally millions upon millions of dollars in the form of cotton farm subsidies in an effort to cutback our production of surplus cotton, and then, at the very same time allow any existing cotton farmer in the United States to grow all the cotton he wishes.

I think we should all remember that the present carryover of cotton is almost at the record high. We have over 14.2 million bales piled up, enough to last a whole year for our domestic and export use.

Certainly I share the philosophy that we should have a freer cotton market, but not, I would hope, at a time when we have this huge surplus and when we will be paying millions of dollars to farmers for not growing cotton.

Second. The committee has added a dairy provision to this bill. I will leave this to the experts to explain, but suffice to say, it is quite complicated, and it is highly technical. The proposal raises just one question in my mind and that is, Will it work? Frankly, I do not know.

Third. The committee eliminated completely the administration's proposal to set up a certificate rice program very similar to that for wheat.

Quite frankly, I cannot capture the logic that deleted a rice tax program and then extended and increased the bread tax. If a rice tax program is no good, then it would seem to me, at least, that a bread tax would not be any good either.

Fourth. As I pointed out before, the administration generally sought 2-year extensions. The committee bill is generally a 4-year bill.

Fifth. The administration sought broad authority to permit the sale, lease, and transfer of all crop allotments, bases, and sugar proportionate shares. The committee bill has limited this authority to cotton, and in a more restricted manner, to tobacco.

Sixth. The administration sought authority to permit the planting of soybeans on diverted feed grain acreage. The committee bill rejects this proposal.

Seventh. The administration's recommendation on wheat left the Secretary of Agriculture with discretion as to the number of bushels of wheat which would be eligible for domestic wheat certificates. It also left the Secretary discretion to set the price support on domestic food wheat up to 100 percent of parity. The committee bill fixes the number of bushels for which domestic certificates must be issued each year at 500 million bushels. It also set the support price at \$2.57 per bushel or as near thereto as is practicable, but in no event less than \$2.50 per bushel.

In other words, the bill as approved by the committee would raise by at least 50 cents, but maybe as much as 57 cents, the support price on 45 percent of the annual production of wheat. This would mean, of course, an increase for consumers in the cost of all wheat products. It would mean that the value of the wheat certificate, or "bread tax" if you so choose to call it, will be as much or more than the value of the wheat itself.

Eighth. The administration's wool recommendations to eliminate the present 300-million-pound domestic production goal, to establish graduated payments to wool growers, and to maintain the present price support level at 75 percent of parity were all rejected by the committee. The committee bill raises the price support on wool from 62 cents a pound to 64.1 cents a pound, an increase which is described on page 15 of the committee report as costing taxpayers an additional \$5.5 million per year.

Ninth. The committee also added the

provisions of title VII which contains a 4-year extension of the tobacco acreage allotment leasing law, a permanent extension of the boiled peanut exemption, and new provisions dealing with acreage measurements and parity of income.

Sometimes, Mr. Chairman, what does not happen in a committee is almost as important as what does. Several major amendments were rejected by the committee.

First. By an 18-to-17 vote to increase the Commodity Credit Corporation release price on unrestricted domestic sales of wheat from 105 percent of the loan level plus carrying charges to 110 percent of the loan level plus carrying charges.

Second. By a 17-to-17 tie vote to finance the proposed 50-cent increase in domestic wheat certificates by Government payments from appropriated funds.

Third. By a 21-to-10 vote to include the provisions of H.R. 7500, as amended, a bill to establish a \$200 million Suburban Land Corporation equally capitalize by the Federal Government and private investors to buy, manage, and sell farmland within 6 miles of cities of 50,000 or more inhabitants.

Fourth. By a 19-to-14 vote to limit the application of the cropland adjustment program to farmland producing surplus crops only.

Fifth. By a 15-to-8 vote to delete the provision in the dairy title allowing each dairy farmer an individual vote in a referendum on the adoption of the class I dairymen's base plan.

Mr. Chairman, I would also like to set forth at this point the major provisions in each of the titles of H.R. 9811.

The major provisions of H.R. 9811 are as follows:

TITLE I—DAIRY

Establishes authority for adoption of the class I dairymen's base plan in any or all of the present 75 Federal milk marketing orders. Under this program dairy farmers would be assigned milk bases reflecting their class I sales during a past period of time. Compliance with this base would mean that the farmer would receive the class I price for all his production. If the class I base were exceeded, the excess production would be priced at lowest level applicable under the existing order. This whole plan would be subject to a producer referendum in which each individual dairy farmer would be eligible to vote. Special provisions are in the bill for new producers, the assignment of bases, the application of Federal orders to manufacturing milk, the status of producer-handlers, and the adoption of the class I plan as part of an existing order.

TITLE II—WOOL

Extends the National Wool Act of 1954, for 3 years and 9 months to December 31, 1969; retains the 300-million-pound domestic production goal; and sets a floor of 77 percent of parity on wool price supports.

TITLE III—FEED GRAINS

Extends without major change the present feed grain program for 4 more years. While soybeans could not be planted on diverted acres, authority to allow soybeans to be planted on permitted feed grain base acreage is provided in this title.

TITLE IV—COTTON

Extends for 4 years with a number of major modifications the present cotton program. These major changes include the following: First, lowers price support loans to 90 percent of the world market average (except in 1966 when it will be 21 cents); Second, provides payments to cotton farmers agreeing to cut their present cotton allotments by at least 15 percent as much as 35 percent—payments would consist of price support payment—9 cents per pound on domestic allotment—and diversion payment on acreage taken out of production—about \$55 per acre national average; Third, allows any farmer to stay out of the program, and plant and sell all the cotton he wishes without marketing quota penalty and without subsidy; Fourth, modifies current release and reapportionment provisions; Fifth, allows limited sales and leasing of cotton allotments, including sales of cotton allotments to the Secretary; Sixth, allows certain CCC sales of surplus cotton at the loan level; and Seventh, provides that if limitations on payments to producers are later adopted, a modified form of price support loans from 65 to 90 percent of parity would automatically "snap back" into operation.

TITLE V—WHEAT

Extends the present wheat certificate program for 4 more years; sets a minimum of 500 million bushels as being eligible for domestic certificates; increases the value of domestic wheat certificates by at least 50 cents—and possibly 57 cents if domestic support were set by the Secretary at 100 percent of the current parity price for wheat; gives Secretary discretion to discontinue export certificates; and sets loan level in relation to feed grain prices, world wheat prices, and feeding value of wheat in relation to feed grains.

TITLE VI—CROPLAND ADJUSTMENT

Establishes a long-range land retirement program similar to the conservation reserve of the Soil Bank Act. Like the conservation reserve, the cropland adjustment program would allow farmers to enter contracts for periods of time up to 10 years for the conversion of cropland into soil, water, forestry, and other conservation uses. Whole farms would

be eligible for retirement under this program.

Unlike the conservation reserve program, the cropland adjustment program would allow accelerated rental payments to be made for the whole contract period in one or more installments; it would allow other governmental units to be partially reimbursed for the purchase price and conservation practices on farms acquired for public purposes near cities; and it would provide an extra bonus to farmers willing to provide free public access to their land for hunting, fishing, and trapping during the life of the contract.

This title does not contain any ceiling on the amount of funds which may be necessary to carry out its goal of retiring 8 million acres per year during each of the next 5 years, after which the anticipated goal of 40 million acres would be reached.

TITLE VII—MISCELLANEOUS PROVISIONS

Sections 701 and 702 allow compliance certifications by producers of all allotted crops—except tobacco and peanuts—for acreage measurements.

Section 703 extends lease and transfer authority on certain tobacco acreage allotments for 4 more years.

Section 704 extends permanently the marketing quota exemption for boiled peanuts.

Section 705 directs a study of farm income parity to be made by the Secretary of Agriculture in cooperation with the House and Senate Agriculture Committees.

Mr. Chairman, I do not pretend to be an expert in the maze of details that are included in this bill, and as the debate progresses, I intend to yield to those Members who have been active in subcommittee and committee consideration of the various phases of H.R. 9811.

Before yielding to my distinguished colleagues for their comments on each of the various parts of this bill, though, I would like to make just four observations about the proposed wheat certificate plan in H.R. 9811.

First. It is completely inconsistent with the cotton, feed grains, and wool provisions of the bill. Each of these other commodities would move to American consumers at world prices. Not wheat, though. U.S. consumers would be required to pay twice as much or more for their wheat products than would foreigners. Or stated another way, foreigners who buy U.S. wheat would get it for one-half the cost that Americans would.

Second. The only other farm commodity that I am aware of which has a processing tax is sugar. On sugar the tax is only one-half cent a pound. Under

this bill the de facto processing tax would increase by at least 50 cents a bushel—from 75 cents at present—to \$1.25 per bushel. Since a bushel of wheat weighs 60 pounds, the proposed de facto wheat processing tax would be over 2 cents a pound.

Put another way, the processors of wheat would have to pay as much or more to make wheat into food as they paid for the wheat itself. Under this bill, the wheat tax would be more than the value of the wheat.

Third. The wheat certificate plan does not apply to pet foods or to industrial products—the certificate, or de facto tax, applies only to human food.

It gets pretty ridiculous, to my way of thinking, when it costs people twice as much for a farm staple than it does for cats and dogs.

Fourth. The amendment to finance the proposed increase in the value of domestic certificates is a major amendment to this bill. However, it applies only to the increase in the bread tax. The basic bread tax is still there. The amendment would wipe out 40 percent of the proposed bread tax, but this bill, even with the amendment, still leaves a 75-cent-per-bushel tax on the processing of wheat, and it still would leave U.S. consumers under the present financing system. The amendment would, of course, eliminate any anticipated reduction in the taxpayers' expenditures on the wheat program. Thus, the bill with the amendment will be more expensive than the present program, and it will still retain 60 percent of the bread tax proposed in H.R. 9811.

Finally, Mr. Chairman, in closing my remarks I would like to clarify one very important question which I am sure will be present in the minds of many Members of the House.

That question is, "What would happen if H.R. 9811 were defeated?"

First of all, I am sure we would have a more reasonable bill in a short time. If not, only one program would expire—and that is the wool program which is relatively uncontroversial and which could be easily handled separately.

All the other provisions of this bill are either covered by permanent farm laws or propose new programs.

Most importantly, the permanent wheat law provides that farmers would hold a referendum on the 1966 crop within 30 days of the adjournment of this session of Congress to decide whether they wanted a mandatory wheat certificate program or not.

The following table shows the major legal effect of the failure to enact the various parts of H.R. 9811:

Provision of H. R. 9811	Type of proposed program	Scheduled time of expiration	Major legal effect if not extended or enacted
Title I—Dairy: "Class I Dairymen's Base Plan."	New, authorizes program for 4 years.	None. Amends existing milk marketing order law.	Present provisions of Agricultural Marketing Agreement Act of 1937, as amended, continue in effect.
Title II—Wool	Extension for 3 years, 9 months through Dec. 31, 1969.	Mar. 31, 1966	National Wool Act of 1954, as amended, would expire.
Title III—Feed grains	Extension for 4 years (1966, 1967, 1968, and 1969 crops).	1965 crop	Permanent law provides for price supports on corn at 50 to 90 percent of parity at a level which Secretary determines "will not result in increasing CCC stocks of corn." Other feed grains would be supported in relation to corn.
Title IV—Cotton	Modified extension for 4 years (1966, 1967, 1968, and 1969 crops).	do	Permanent law provides for marketing quotas, farmer referendum, 16,000,000-acre national acreage allotment, and price supports at 65 to 90 percent of parity.
Title V—Wheat	Extension for 4 years (1966, 1967, 1968, and 1969 crops).	do	Permanent law provides for marketing quotas, farmer referendum, and price support through certificate system at 65 to 90 percent of parity. Farmer choice in referendum would be between mandatory certificate program and price supports to cooperators at 50 percent of parity (\$1.28 per bushel).
Title VI—Cropland adjustment	New. Allows farmers to enter into long-range land retirement contracts during the 5-year period, 1965-69.	None	Present land retirement programs would continue. These include the cropland conversion, conservation reserve of soil bank, and Great Plains programs.
Title VII—Miscellaneous: Secs. 701 and 702	Compliance certification (change in method of measuring feed grain bases and acreage allotments for all crops except tobacco and peanuts).	do	Present provisions of law for acreage measurement would continue.
Sec. 703	Extension of authority for lease and transfer of certain tobacco acreage allotments for 4 years (1966, 1967, 1968, and 1969 crops).	1965	Permanent law does not provide authority for these leases and transfers.
Sec. 704	Permanent extension of boiled peanut exemption.	1965 crop	Permanent law does not provide an exemption from marketing quotas for boiled peanuts.
Sec. 705	New. Directs Secretary to make a study of income parity in cooperation with House and Senate Agriculture Committees.	None	None.

In conclusion, Mr. Chairman, let me repeat—I do not think H.R. 9811 is in the interest of farmers, consumers, or taxpayers. Its enactment would only delay for 4 long years the badly needed reforms that are necessary in our agricultural program.

The CHAIRMAN. The gentleman from Pennsylvania has consumed 16 minutes.

Mr. COOLEY. Mr. Chairman, I yield to the distinguished and lovely gentleman from Missouri [Mrs. SULLIVAN] 10 minutes.

Mrs. SULLIVAN. Mr. Chairman, the farm problem we are most concerned about here—low prices and low return to the farmer compared to high prices for the things he buys—is a problem not just to farmers but to our entire economy, including our urban industrial centers. We want the farmer to be able to buy the goods our industries produce. Consequently, consumers are willing to pay fair prices for food commodities, particularly if the prices we pay are reflected also in what the farmer receives. Often they are not so reflected. As a member of the national Commission on Food Marketing, I am very conscious of the large discrepancy which often exists between farm prices and consumer prices.

Nevertheless, I am glad that the distinguished chairman of the Committee on Agriculture has exercised his legislative wisdom and fine leadership to prepare the way for the removal from this bill of a provision which would unnecessarily and unrealistically raise consumer prices of wheat products without providing commensurate benefits for the farmer.

The propaganda war waged by baking interests against the additional 50 cents per bushel wheat certificate scheme in the administration bill, attacking it as a bread tax of 2 cents per loaf, has been shrewd and effective—one of the classic lobbying performances of the year—even if coldbloodedly deceptive. I will

not say "false and deceptive" because there are enough elements of truth in the propaganda to give it some persuasiveness. Under this strategy, win or lose, the baking interests just could not lose; because if the Congress were to enact this provision to raise wheat prices a little, the baking interests would have brilliantly been in the position of having a believable excuse for raising prices a lot.

Chairman COOLEY's amendment on wheat will pull the teeth of this price-raising scheme. The baking interests, shedding such crocodile tears for the consumer, will have to find some other excuse—other than increased wheat price supports—to raise consumer prices. The Cooley amendment will therefore serve to make any price increase in wheat products suspect from now on—and subject to the most critical congressional analysis and review. The wheat users will have us looking over their shoulders on any price increase—asking why, and demanding honest answers. As chairman of the Subcommittee on Consumer Affairs of the Committee on Banking and Currency, I certainly intend to keep a watchful eye on all price movements in wheat products as a result of this propaganda effort to try to translate a seven-tenths of a cent increase in the wheat costs of a loaf of bread into a 2-cent per loaf price increase. I am sure Chairman COOLEY's committee will also want to keep its eye on bread prices, and on the prices of other wheat products, to see what any future price increases will be blamed on, if they cannot be attributed to the provisions of this bill.

I have fought with the administration—from within the family, for 2 months on this issue. I pleaded with Secretary Freeman to abandon the additional wheat certificate proposal, because it is bad economics and bad politics, as well as creating a precedent for shifting all farm subsidies to consumers—an inflationary danger. If

Congressman COOLEY had not announced his intention of amending the bill to charge to the Treasury the higher wheat costs the bill calls for, I had prepared an amendment of my own to accomplish this same purpose. I think my amendment might perhaps have been preferable—it would provide for a guarantee of full parity—but no more than that—to the farmer on all of his wheat intended for domestic consumption and produced under crop limitations. But it would have based the actual additional payment on average wheat prices for a full crop year, with the Government paying only the difference between the parity price and the amount the farmer had actually received, including the value of the domestic certificate. If market prices should rise because of uncertain world conditions, or the Soviet wheat failure, or Vietnam or anything else, the farmer would receive not an extra \$1.25 over the market price, but only the difference between parity of about \$2.50 and the market price. This difference could be less than the proposed subsidy of \$1.25 a bushel. This is the proposal I had developed and was prepared to offer when I learned that Mr. COOLEY had decided to lead the fight against the committee action on the wheat certificate plan with an amendment of his own.

I congratulate him, and applaud his leadership. He has been a great and good friend of the city consumer—and particularly our poor, through his support and guidance and encouragement of the food stamp plan, and in many other ways. I am delighted to have his leadership on this controversial issue of wheat support machinery.

Secretary Freeman fought hard and valiantly for the administration position, but it was obvious to many of us for a long time that this position could not prevail, regardless of the truth or falsity of the lobbying efforts against it. The savings the proposal would have meant to the Federal budget were not sufficient

to justify the effort, and the consequences to consumer understanding of farm problems and farm needs would have been disastrous. Demagoguery would have flourished in our lower income areas, and profiteering would have been shameful, based on a half-lie wrapped in brazen self-righteousness.

The Cooley alternative is a reasonable solution and I will support it. I urge all Members interested in helping both the farmer and the consumer to join in supporting the Cooley amendment on wheat supports and then in maintaining the integrity of other provisions of the bill intended to improve farm purchasing power while curbing excessive production.

The surpluses, if properly managed to avoid depressing the domestic market, are our greatest asset in international diplomacy—at least as important as our weapons. We can feed much of the world, and we are doing so. Sharing our abundance is morally right and diplomatically astute. The American farmer, by his resourcefulness and sweating hard work, has given us great power in our quest for world decency. This legislation will strengthen our farm economy, and thus our ability to grow an abundance of food which can be sold at reasonable prices. Let us never deplore the miracles our farmers have accomplished in agricultural technology; let us strive to manage our great abundance with compassion, and with wisdom, and with gratefulness to Almighty God for our blessings of such abundance.

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HAGEN].

(Mr. HAGEN of California asked and was given permission to revise and extend his remarks.)

Mr. HAGEN of California. Mr. Chairman and members of the committee, I want to relate another story that the gentleman from Pennsylvania [Mr. DAGUE] told about the farmer who became intoxicated when his farm was in the course of sheepshearing and inadvertently got ahold of a pig instead of a sheep and sheared it. His neighbors asked him what the results were, and he said, "Well, I got very little wool but a lot of squealing."

Now, this is typical of farm legislation, regardless of the content. It is bound to be controversial because it affects different farmers differently. There are some people who are antifarm bill regardless of what is contained in it. I know of no responsible element in our country which would abolish all farm programs any more than they would propose abolishing the minimum wage for labor, because these responsible people know that chaos would result. But very often they do not come forward with constructive alternatives.

This legislation before us is a result of many hours and days and even months of work. It is a constructive program. The main thrust of it is that it is cheaper, if you need a farm program—and I think everybody concedes that we do need

one—it is cheaper to pay for retirement of acres and the conservation of their fertility and so forth than it is to pay for the production of needless surplus crops. This observation and this premise applies to all commodities dealt with in this legislation with the exception of wool, which is a deficit commodity in this country. So I think generally speaking we can assume that this legislation, if passed, will reduce considerably the cost to the Federal Government of an effective farm program.

My purpose here is to discuss the dairy section of the farm bill inasmuch as I am chairman of the Dairy and Poultry Subcommittee of the master Committee on Agriculture. We have a section in here which was unanimously approved in our subcommittee and which was incorporated in the omnibus bill.

Basically it adds one new power to the present authority in the Marketing Act of 1937, as amended, as it relates to dairy products and fluid milk; and that is the authority of the dairymen in these milk marketing areas—and there are some 75 in the country—to vote for themselves, if they wish, by a two-thirds vote in a referendum, a so-called class 1 base plan. This legislation was embodied in bills by the gentleman from Texas [Mr. POAGE] and the gentleman from Wisconsin [Mr. STALBAUM]. I may say with respect to the latter that he is an expert on dairy matters because he managed a dairy coop for many years, as I understand it.

The problem with the present authorities in the Marketing Act as it relates to dairy products is that the powers are somewhat inadequate. Under the class 1 base plan there would be some tendency to stop the rush for ever-increasing production which not only lowers the returns to the dairy farmers but also costs the Government a considerable amount of money in buying cheese, dried milk, and these products which they are obliged to buy under this dairy support program which relates to manufactured milk.

Presently under these dairy marketing orders, a minimum price can be voted for different categories of milk. Fluid milk would bear the highest price, milk for manufacturing purposes a lower price; and the farmers receive a so-called blend price. The problem is that the processors of milk are almost certain of getting a profit, and the more volume they can run through their plants, the more money they make. They have an assured market with the Federal Government, if they have no market anywhere else. So that there is constant pressure on dairy farmers to increase the size of their herds, to increase their production, and they have to do it in order to maintain their relative position in a given marketing area. This proviso, if voted in in a particular area, would say that they would have a class 1 base, a certain assigned percentage of the fluid milk market for a somewhat lengthy period. They would not be forced to increase the size of their herds in order to get this same share of participation.

Mr. DENT. Mr. Chairman, will the gentleman yield for a question?

Mr. HAGEN of California. I yield to the gentleman.

Mr. DENT. The fear in my State is that we have a very strict milk control policy and legislation. As it is now written, under your Federal base plan, it would only affect the districts that are in a certain milk marketing order; is that right?

Mr. HAGEN of California. That is correct.

Mr. DENT. Is it the intention, or is there any intention that the gentleman knows of, to create a situation where they would expand this particular thinking to the point where the milk marketing orders would be expanded across State lines in such a way that Pennsylvania laws would be circumvented by a Federal milk marketing order?

Mr. HAGEN of California. No; I assure the gentleman that is not true. If that were the case, I would be fearful also. We have a State milk control law in California. We have no Federal milk marketing order in California. We regulate it by State law, as I assume Pennsylvania does.

Mr. DENT. But we do have on the border between New York and Pennsylvania some areas that are in a Federal milk marketing order by vote, of course, as the gentleman knows. But our danger is that our farm economy is represented by self-sustaining farms, as the gentleman knows. They have a few milk cows, some hogs and chickens, and so on—self-sustaining. The problem we have always had is the overflowing of our milksheds with milk from Wisconsin and the western high production States.

Is there any intent, is this an opening wedge, to make the Nation into one Federal milk marketing order? If I can be assured that that is not the case, then I have no problem.

Mr. HAGEN of California. Not at all, really. In those milk marketing areas which would be affected it would more or less protect those areas. This will not result in any expansion whatsoever.

With respect to this particular proviso, which is a simple addition of an additional power in the milk marketing order, if the producers in a given area want it, this would have to be adopted by a one-man, one-vote rule. There would be no bloc voting such as voting by co-ops with respect to this particular aspect of the marketing order. There would be a separate vote on it.

Mr. DENT. If the gentleman will yield further, is that written into the law?

Mr. HAGEN of California. That is written into the bill.

Mr. DENT. It is written into the bill?

Mr. HAGEN of California. Yes.

Mr. DENT. The report does not show that. I wish it did.

Mr. HAGEN of California. I might say also that this additional power is true of the other authorities contained in this bill, which will expire at the end of 4 years. So, it does not represent a permanent addition to the authorities possible under the milk marketing order.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Following the comments of the gentleman from Pennsylvania [Mr. DENT] of a moment ago, can we interpret from your remarks that you as the chairman of this subcommittee would be in opposition to the establishment of Federal marketing orders?

Mr. HAGEN of California. I would. I do not believe milk is a commodity which lends itself to a milk marketing order. As a matter of fact, the Department of Agriculture has never sought to promulgate such an order.

Mr. DON H. CLAUSEN. If the gentleman will yield further, we in California should have no concern over changing the existing State marketing order and it will not be disturbed?

Mr. HAGEN of California. I would say "No." As the gentleman knows, we have made more use of marketing orders in California on a regional basis than any other State.

I might also say that one of the most troublesome problems which we experienced was the problem of the producer-handled. There are farmers who market their own milk. They are not large retailers, but they represent substantial, wholesome entrepreneurs. They wanted assurance that we were not doing anything that would jeopardize their exemption which occurs in these marketing orders, typically from the regulations.

I want to assure the representatives of producers-handlers that it is not the intent to make it any more possible than it now is to include them in the impact of any milk marketing order.

Mr. DUNCAN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Mr. Chairman, I would like to congratulate the gentleman from California, the chairman of the subcommittee which handled this dairy section, and to congratulate the committee for bringing this section of the bill to us for consideration.

Mr. Chairman, I am particularly pleased with the consideration which has been given to the producer-handler.

In the last paragraph of the report you point out two potential abuses that may develop in connection with this problem.

Do I read correctly that last paragraph of the report to be a warning to the industry of possible future congressional action should these abuses develop and not as intended in any way to modify the language of the bill as well as the language in the report?

Mr. HAGEN of California. The answer would be "Yes."

Mr. DUNCAN of Oregon. I thank the gentleman.

Mr. HAGEN of California. No case was brought to our attention which would justify the inclusion of producer-handlers in the pooling arrangements in a given marketing order about which we knew.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. POAGE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HAGEN of California. I may say that this language to which the gentleman has referred in this report was formally adopted by vote by the entire Committee on Agriculture as our position with respect to this subject of producer-handlers. So, it is the official position of the committee.

Mr. DUNCAN of Oregon. I thank the gentleman.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I am interested in this: Is it possible for the farmers outside the marketing area to enter the marketing area? What deterring influence will there be on a producer within the area to not produce more and more in competition with the farmers outside the area? Is there any way you can influence this producer within the area to not produce a product which is in surplus?

Mr. HAGEN of California. As I understand it, it is a relatively unprofitable operation to produce milk for manufacturing purposes in these dairies around these urban areas where they do not raise their own food for their cattle and land costs and taxes are high.

Mr. NELSEN. If the gentleman will yield further, may I point out that these farmers within the area have class I prices and could add one, two, three, four, or five more cows at very little cost and he could afford to sell much cheaper by going into the manufacturing area in competition with those of us who are in this market.

I wonder if the committee gave any thought to the possibility of sort of governing this, if they move into this area.

Mr. HAGEN of California. We did not consider this to be a real problem.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. NELSEN].

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Chairman, I would like to mention a bit further the dairy section of the bill. I have been trying to get more information relative to it to have clear in my mind just what the bill will do in this area. Many of us live outside of these marketing areas, and we find that because of a great maze of regulations we are really, in effect, denied entrance to those areas, and denied this very lucrative price paid in these areas.

We also find the farmers within the marketing area producing more than the area needs, and the surplus that they produce goes into manufactured products in competition with those of us outside the area who are denied the favored price at the same time we compete with them in manufactured products. It would seem to me that the producer within the marketing area should be willing to regulate or at least control his production to meet the needs of the area and not in turn go in competition with the farmer who must move his production in the open market. I wish the committee would give some attention to

that with the idea of doing something about it.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Wisconsin.

Mr. STALBAUM. Mr. Chairman, it strikes me that the very intent of the class 1 provision as written into the omnibus farm bill is to do that which the gentleman from Minnesota has just mentioned, because the intent of it is to design a plan whereby a farmer within a market order area will produce milk for that area, and not be forced into producing milk to go into the manufactured milk channels.

Chicago, for instance, has 50-percent surplus milk. A great share of that is milk they do not need at any time of the year. They have produced this milk, it does go into competition with areas such as the gentleman from Minnesota mentioned. Under this plan we give him a pricing system on a portion of his fluid milk so that he does not have to produce this extra surplus milk to get his return at the farm. It would be my hope, as one who has long sponsored the class 1 plan, both within and without the Congress, that this would be the ultimate result. The net result of such a plan should be less production by the farmers in the market order area with less being put into surplus in competition with farmers from Minnesota. I would hope in the long run the class 1 plan would reduce competition that his farmers have with areas of this kind.

Mr. NELSEN. I thank the gentleman. When the gentleman makes the statement "it is my hope," it is also my hope, but the statement then is an admission of the fact there is a possibility it will not correct the problem. I feel that if a producer has a class 1 fixed price in the marketing area, if he insists on going beyond his total and producing in excess of that, he should be denied the lucrative price on some of his production. I think that could be worked out.

I would also suggest I want to compliment the committee on what it is trying to do. I think it is moving in the right direction, and I hope their hope is well founded.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from California.

Mr. HAGEN of California. The problem with the producers who supply big milk consumption areas, is that because of lack of a class 1 base plan they have been in a race with each other to keep their relative position in the market. There is really no incentive for them to go into the business of manufacturing milk except in this context, and the hope is that this base plan will remove that incentive. Actually, there should be a reduction in their production to the extent class 1 base plans are adopted.

Mr. NELSEN. The only point I see is the possibility if you do have a guaranteed class 1 price there is still the temptation to put in a few more cows and produce a bit more even if you take less on the added production. It does

not cost much to add a few head of cattle to your herd. However, the point is well taken and I thank the committee for their contribution.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. OLSON of Minnesota. I think the points you raise are very valid. I have not been in complete agreement with the class 1 base approach. I think the dairy situation needs to be studied in greater depth. I think a transfer and selection base allowed here is going to result definitely in a kind of milk tax. I think those people who are concerned about the bread tax ought to take a look at some of the dairy provisions allowed under our present law.

Mr. POAGE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, in an effort to proceed in an orderly manner, I intend to take up the wool sections of this bill and then later proceed to discuss the feed grain section after my friend, the gentleman from Pennsylvania, has had an opportunity to discuss the wool section.

The wool provisions of this bill basically extend the present wool law. The wool bill was adopted in 1954 when another party was in control of the destinies of this Government. I think they did a good job in establishing this program. I think it has worked real well.

The committee is of the opinion it should be continued. We proposed a rather minor change in the procedure. The present law is a direct-payment program based upon paying the producer of wool the difference between the average market price in the preceding year and 62 cents per pound for shorn wool. The 62 cents per pound at the time it was adopted in 1954 was 106 percent of parity, the highest supports we have ever established for a supported commodity—62 cents per pound is today only 78 percent of parity. So the committee felt that, rather than seeing wool producers suffer a constant decline in their purchasing power, we should establish a program that would guarantee the wool producers that they would have some purchasing power year after year, and we have changed the 62 cents per pound to 78 percent of parity. At the time we did that they were exactly the same—78 percent of parity was 62 cents or, to put it the other way, 62 cents was 78 percent of parity. But the effect of it will be, if the parity figure continues to go down, that the support on the wool will remain at a higher buying power than it would if we did not make that change. We think that is rather important. That is the basic thing we do by this legislation. Of course, we continue the wool and the mohair program for another 4 years—through December 31, 1969, as does the rest of this bill.

We believe that with those changes we will have a sound program and one which will give to the wool producers of America the kind of support to which they are entitled during the next 4 years.

Mr. DAGUE. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. STANTON] who wishes to speak out of order.

(Mr. STANTON asked and was given permission to revise and extend his remarks.)

(By unanimous consent, Mr. STANTON was granted permission to speak out of order.)

Mr. STANTON. Mr. Chairman, I know that my colleagues will be happy to learn that Mr. Robert Manry, of the 11th Congressional District of Ohio, has successfully completed one of the most outstanding feats of individual endurance and individual accomplishments of our generation. Mr. Manry arrived safely today in Falmouth, England, after conquering the great Atlantic Ocean in a 13½-foot sailboat. His solo trip from Falmouth, Mass., covered over 3,400 miles. He departed on June 1.

It seems to me that Mr. Manry's voyage has pointed out to a new generation of the world that the individual American's desire to explore the unknown, his fearless ingenuity, and his pioneer spirit of adventure—the same spirit that made this country the greatest country in the history of the human race—is still very much alive in our country today. Mr. Manry's feat should remind the world that it is our people and not our money or our power that makes America free and strong.

Mr. Manry's feat compares with the flights of Charles Lindbergh and John Glenn in displaying individual courage, and I am today asking President Johnson to invite Mr. Manry to the White House so he can extend to Mr. Manry the congratulations of an appreciative country.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LATTI].

(Mr. LATTI asked and was given permission to revise and extend his remarks.)

Mr. LATTI. Mr. Chairman, first I should like to commend our chairman for the way he has handled this bill in the committee. This is my fourth term under Chairman COOLEY. He has treated the witnesses very fairly and has given the minority members an opportunity to be heard and to question the witnesses. I commend him in this regard.

I also wish to commend our ranking Republican member, the gentleman from Pennsylvania, PAUL DAGUE, who is serving in this capacity for the first time this year. He has done an outstanding job and has been most helpful to me and to the other members on the minority side.

President Johnson in his farm message this year stated that "farmers want freedom to grow and prosper, freedom to operate competitively and profitably in our present economic system," and then proceeded to refute this position by supporting H.R. 9811, a bill which completely suppresses any freedom which the American farmer may have left.

Let me say for the RECORD that the farmers of the Fifth Congressional District of Ohio agree with the position taken by the President of the United States in his farm message and disagree wholeheartedly to the subsequent commodity positions taken by the administration in H.R. 9811. They do, however, agree with the administration's position on the cropland adjustment title

of this bill. This title establishes a long-range land retirement program similar to the conservation reserve of the Soil Bank Act. Like the conservation reserve, the cropland adjustment program would allow farmers to enter into contracts for periods up to 10 years for the conversion of cropland into soil, water, forestry, and other conservation uses. Whole farms would be eligible for retirement under the program.

Unlike the old conservation reserve program, however, an additional payment would be made to participating farmers permitting access to their lands for hunting, fishing, and trapping during the life of the contract.

This provision should prove popular to farmers and sportsmen alike. It will give the farmers some extra revenue and will give sportsmen access to lands not otherwise available. This, incidentally, is a voluntary provision of this title, and I want to stress this fact. From a personal standpoint, seeing this section in this bill gives me real satisfaction as a similar section appears in a bill which I introduced earlier in this session. When the first draft of the administration's bill came before our committee I discussed such a provision with the administration's witness, Mr. Ed Jencke, who promised to take the suggestion back to the Department for consideration. Favorable consideration must have been given by the Department, for I was pleased to see that such a provision was in the next draft of the administration's bill.

I was pleased that our committee deleted an administration proposal from this bill which would have had real dire effects in our district and permitted the planting of soybeans on diverted feed grain acres.

Such a provision would have been disastrous for soybean producers. Unfortunately, however, this bill permits the planting of soybeans on feed grain acres. Should such a provision remain in the bill, its effect will be felt by every soybean producer in the Nation. I for one, hope that the House will strike such a provision from the bill and not permit what has been a good soybean market to be destroyed by needless overproduction.

Our committee's action on cotton is not one to write home about. The committee heard testimony from the then Under Secretary of Agriculture, Mr. Murphy, that the cotton program has been costly and has not achieved its objective. That the \$900 million paid to the textile mills was practically for naught. He called for action by our committee and favored the tightening of the regulation of the skipped row plantings as one means of cutting down unneeded production. As pointed out in our minority report, though, this bill will not accomplish what Mr. Murphy was seeking when he testified before the committee in good faith.

In coming to a section of this bill which is most important to the farmers of northwestern Ohio, I would like to say that their objections to the wheat section of this bill still persists notwithstanding the fact that they have been told repeatedly that this is a voluntary

program. Actually, from an economic standpoint, they know and we know that it is not a voluntary program. These farmers, from an economic standpoint, are being forced into a program that they turned down 9 to 1 in a referendum in May 1963, and they do not like it. However, there are other provisions of the bill which we are considering today that they do not like. Going back to Mr. Freeman's testimony before our committee on April 6, 1965, and speaking on this matter of marketing certificates, he had this to say: marketing certificates would be issued on the portion of the crop used domestically. Under the provisions of this bill a participating farmer will be paid marketing certificates on 45 percent of his crop notwithstanding the fact that his class of wheat may be used in a far larger amount for domestic purposes.

For example, 72.4 percent of the Soft Red Winter wheat produced east of the Mississippi-Missouri Rivers, during the 5-year period of 1959 through 1963, was used domestically or within the United States. But under this bill, notwithstanding what Mr. Freeman said before our committee on April 6, 1965, they will get certificates on only 45 percent of their production. Not only are these producers discriminated against under this bill, but the producers of Hard Red Spring wheat are discriminated against even more. In fact, during this same 5-year period, 1959 through 1963, 86 percent of their total crop was used domestically. But under the provisions of this bill, and notwithstanding what Mr. Freeman said before our committee, they will get certificates on only 45 percent of their production. I feel that this is gross discrimination against the producers of these two classes of wheat and it should be rectified in this bill.

If we are going to have a certificate plan based on a producer's share of the domestic utilization of his class of wheat, it should be paid for on this basis and not on an arbitrary figure picked out of the air by the Secretary of Agriculture. When the time comes, during the amendment period on this bill, I shall attempt to rectify this injustice.

We've heard a great deal about this bill giving wheat producers 100 percent of parity. Nothing could be further from the truth. Wheat producers will get parity on only 45 percent of their crop—not on 100 percent of their crop. To obtain 100 percent of parity, they would have to be issued certificates on 100 percent of their production. Such is not the case under this bill.

We have heard a lot about bread taxes in the last couple of days. We have all heard the expression, if you "can't stand the heat, get out of the kitchen." Relating that to Mr. Freeman, apparently he has found the heat in the kitchen too much—and his heat apparently has come from the housewife as well as from our side of the aisle—and he is retreating from his insistence on a bread tax. Apparently this heat didn't get to him until last night because as late as yesterday Secretary Freeman is reported as having told a Seventh District Iowa Group here in the Capital as follows:

Secretary Freeman termed it "unfortunate that the false bread tax charge has tended to overshadow the basic consumer-producer-taxpayer benefits of a comprehensive and constructive food and farm bill," and added that the "bread trust appears to be seeking subsidies from both farmers and the Federal Treasury with no intention of showing compassion for consumers."

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. ALBERT. Mr. Chairman, I take this time simply to correct the gentleman. The decision with respect to this matter was not made by the Secretary of Agriculture nor was his concurrence requested. This was purely a legislative decision and the legislative branch takes full responsibility for it.

Mr. LATTA. Is the gentleman saying that Mr. Freeman did not make this statement?

Mr. ALBERT. No, I am not saying that.

Mr. LATTA. I was reading Mr. Freeman's own statement.

Mr. ALBERT. As I understood the gentleman, he said that housewives were putting the pressure on the Secretary because of his position. But the change in the method of payment of the certificate in the case of wheat was a change that was made by the legislative leadership of the Congress and not by the Secretary of Agriculture.

Mr. LATTA. Since the gentleman from Oklahoma is elaborating on that point, perhaps the gentleman would answer a question as to whether the Secretary was down here participating in these discussions with the legislative leaders. Would the gentleman like to answer the question?

Mr. ALBERT. If the gentleman will yield, the Secretary was present, but he had nothing to do with the decision. The decision was made before he got there.

Mr. LATTA. I am glad to know that the Secretary did not participate in the decision, because he probably would have gone along the blind path he has been following on this subject.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. LATTA. And, Mr. Chairman, I want to congratulate the legislative leaders on the other side for feeling the heat and seeing the light causing them to change their position.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. GROSS. Was the decision made in the rose garden, does the gentleman know?

Mr. LATTA. No.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield, I will tell the gentleman where the decision was made.

Mr. LATTA. I want to commend the legislative leaders on that side, because I think that a lot of these decisions are made in the rose garden which should be made up here on Capitol Hill. I com-

mend them for taking this type of action and hope that on some of these other decisions that should be made by the legislative branch, will be made up here.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield further, this decision was made at the Capitol by legislative leaders. It was made without any recommendation from the administration, and notwithstanding the recommendation of representatives of the administration.

There is nothing new in this proposal. It is as old as the Brannan plan. Vice President HUBERT HUMPHREY, when he was Senator, introduced a bill which carried a provision almost identical to this provision. It is not new and the decision to take the approach which will be embraced in the Cooley amendment has been considered for weeks on both sides of the aisle. It has been considered for years on our side of the aisle. But the decision made in this instance was a legislative decision and not a decision of the administration.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 2 additional minutes in order to maintain this high-level debate.

Mr. LATTA. May I say further to my good and very able friend from Oklahoma, who formerly served with distinction on our committee, let me say I commend the legislative leadership for taking the position they have taken and I hope that they take such strong stands on other matters, notwithstanding what they might say downtown. The legislative branch of the Government has a responsibility to fulfill and I am glad that this responsibility is not completely carried out in the rose garden downtown.

Mr. ALBERT. Mr. Chairman, will the gentleman yield further?

Mr. LATTA. This is a good turn of events.

Mr. ALBERT. Respecting the gentleman as I do, I appreciate the compliment all the more.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder if the gentleman from Oklahoma, the majority leader, could tell us whether the Secretary of Agriculture agreed or objected at the Capitol?

Mr. LATTA. Before the gentleman from Oklahoma answers that, let me refer you to what he said as late as yesterday. Apparently, there was some arm twisting on the part of the legislative branch for a change.

Mr. GROSS. If the gentleman will yield further, I assure the gentleman that arm twisting may take place in the rose garden. The gentleman would not want to infer that there is ever any arm twisting at the Capitol.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Oklahoma.

Mr. ALBERT. There was no occasion for arm twisting. It was a legislative re-

sponsibility and the legislative leaders accepted the responsibility. That is all there was to it.

Mr. LATTA. In view of the fact that the Republican leadership and the Republican members of the House Agriculture Committee had taken this position all along, that this was a bread tax and it should not be passed on to the housewife, we are glad, even at this late date, that the Democratic leadership adopted our suggestion.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from North Carolina.

Mr. JONAS. I think most respectfully that this colloquy could be continued and I think it would be important for us to know whether the Department of Agriculture approves of the action that is about to be taken, because this bill will go to another body and it might be changed when it comes to conference.

So, I hope the gentleman can get an admission out of someone as to whether or not the Secretary of Agriculture approves the amendment, or if he is fighting it?

Mr. LATTA. The gentleman has raised a very important question and I think perhaps it deserves an answer from our majority leader, as to whether or not if the House adopts this position, is Democratic leadership going to hold firm in conference, if the other body does change it.

I wonder if we are trying to get the bill through the House knowing that when it goes to the Senate, it will be changed back to the old bread tax approach.

Mr. JONAS. A year ago when the cotton bill was first passed by this body it was a cotton bill only, but when it came back from conference it was a cotton plus a wheat bill.

Mr. LATTA. Does the gentleman from Oklahoma care to comment on this?

Mr. ALBERT. I did not get the question.

Mr. LATTA. The gentleman from North Carolina was posing a question as to whether or not if the House adopts the position that has been agreed, should the Senate amend this bill and return us to the bread tax approach, will the House conferees insist on the House position?

Mr. ALBERT. The leadership will not be members of the conference, but I certainly support the position of the House.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RESNICK].

Mr. RESNICK. Mr. Chairman, first I would like to point out to the gentleman from Ohio I am only a freshman Congressman, I do not know too much about these things and where these decisions were made, but I recall our very able whip the gentleman from Louisiana [Mr. Boggs], standing in this well and pointing to where the decision was made and when it was made. It was last November, and it was made in the ballot boxes.

We are all understandably proud of the American free enterprise economy. Our tradition of depending on the law of

supply and demand is a long one. Let us face it—it no longer works as far as the agricultural economy is concerned. I feel that it is not only the duty but the responsibility of this Congress to act. To this end I am introducing Thursday an amendment to the farm bill, H.R. 9811, that would provide for a nationwide egg marketing order.

In two separate hearings this year the House Agriculture Subcommittee on Dairy and Poultry heard testimony concerning the conditions in the egg industry. In all this testimony no one denied that the industry is undergoing a period of great difficulty. So far this year all egg producers in every section of the country have been forced to sell their products below the cost of production.

I feel I must point out that we are not talking about "chicken feed," or little old ladies earning pin money from the sale of a few eggs. The egg industry has an investment of well over \$1.5 billion. Neither is this problem one that came upon us out of the blue this year. For the past 9 years the Department of Agriculture has purchased eggs on the open market in an attempt to balance the supply with the demand. The egg-buying program is both short-range in effect and expensive. Indeed, its every implementation in the past has created some of the problems for today. For as year after year passed with the Department stepping in and purchasing eggs, producers began to count on this as a market and increased production accordingly.

A nationwide egg marketing order would be the best method not only to help the farmer achieve a fair income but to guarantee the consumer a stable supply of eggs at a reasonable price. This amendment would in effect limit the total number of eggs that could be marketed in any 1 year. This limitation could be affected by regulating the number of baby chicks producers could purchase for the production of eggs. There are many other provisions outlined in this amendment such as a market diversion program, a provision for a regulated increase in production, and a provision to allow some new entries into the field. It is very similar in operation to the dairy marketing orders which have worked reasonably well for many years.

However, I feel I cannot stress strongly enough at this point the fact that this amendment is basically enabling legislation. Its adoption would enable the Secretary of Agriculture to hold public hearings, draw up an order and submit it to a referendum of egg producers. Two-thirds of those producers voting would be required to implement the order.

As I said before, this is an industry in trouble and I feel this industry must be given an opportunity to vote on its own future. I feel that the eventual implementation of an order will go a long way in preserving our family farm tradition.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I yield to the gentleman.

Mr. HOWARD. I commend the gentleman for introducing his amendment.

I certainly support it in every way. Basically what the gentleman's amendment would do is to give the poultry farmers of America the right to vote as to how their industry might be controlled as to the marketing of their product.

Mr. RESNICK. That is correct. This is simply the legislation that will permit the individual poultry farmer to determine his own future and to try to get the industry out of the desperate condition it is in today.

Mr. HOWARD. Is it not true that this has been done in other areas of the agricultural economy and is it not also true that it has been successful when applied to such other areas of agriculture?

Mr. RESNICK. Yes, it has worked very successfully in California on any number of products. Of course, we have a marketing order for dairy products that was discussed earlier today.

Mr. HOWARD. I thank the gentleman. I believe that this is a fine, worthwhile amendment. I hope the membership of the House will accept it when it is voted on as is expected on Thursday. Again I commend the gentleman on his amendment.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I yield to the gentleman.

Mr. STALBAUM. I compliment the gentleman from New York for bringing this in. I trust he has made it clear for the RECORD and I repeat it here to emphasize it for the RECORD that this amendment of his does not in any way arbitrarily establish any egg marketing order program. There is no power given to the Secretary for this purpose but it merely permits egg producers to so establish a program if they so want to do.

Mr. COOLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. RESNICK. Certainly I yield to the gentleman.

Mr. COOLEY. I would like to inquire whether or not this amendment of yours has been approved by the subcommittee of the House Committee on Agriculture. My impression is that it had been referred to the subcommittee but that the subcommittee has not reported it back to our full committee.

Mr. RESNICK. Mr. Chairman, the subcommittee did not have time to act upon it due to the press of business. However, it has been approved by the Department of Agriculture and the Bureau of the Budget.

Mr. COOLEY. How about the subcommittee itself?

Mr. RESNICK. They have not had an opportunity to act upon it.

Mr. COOLEY. Do you not think it would be much better if the subcommittee would report the bill to the full committee and to let us bring it up subsequently?

Mr. RESNICK. Mr. Chairman, I feel I need say nothing more than to point out that the hour is late and if something is not done it is going to be too late for this particular piece of legislation.

Mr. COOLEY. The gentleman from California [Mr. HAGEN], chairman of the subcommittee, is here and I am certain

he will cooperate and expedite the matter. If the subcommittee reports it to the full committee, then I shall call a meeting of the full committee.

Mr. HAGEN of California. The problem here is similar to trying to hook a car on the train when the train is going by. It is frequently stated, we can only pass one agriculture bill a year and this is the problem that the gentleman from New York [Mr. RESNICK] is confronted with. He wants to get on the train when it is going by, and he is entitled to that opportunity. I support him.

Mr. RESNICK. Farmers in more than one way are the backbone of our rural economy and provide employment not only for themselves but for thousands of rural businessmen depending on farm spending. If we allow this important family farm segment of agriculture to be destroyed, with them will go the owner of the gas station, teacher, grocer, hardware and feed dealer.

Family farmers also provide thousands of communities with a broad tax base. These commercial egg producers have an individual investment of anywhere from \$50,000 to \$200,000 in their farms. I stress this to point out they are not marginal producers. They are truly businessmen. These people will be forced to go to our cities and our cities are not prepared to accept them. Our cities are already overcrowded and are simply not prepared to handle an influx of people unskilled for city work.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I am glad to yield to the gentleman.

Mr. JOELSON. I just want to point out that as of this time just about everything that is wearable, eatable, and smokeable is under regulation. If this is truly to be described as an omnibus bill, I do not know why we need to worry about trains—and we should make it an "omni-bus" bill and put eggs in it and be done with it.

I think sometimes the programs are ominous but I think since we have embarked on this course, the gentleman's amendment would certainly be in order.

Mr. HAGEN of California. I did not mean to be facetious when I said that. I support your position myself as an individual and I hope that you can include eggs in this bill.

As I understand it, from the testimony of Mr. Mehren, Assistant Secretary of Agriculture, under the proposal it would not be necessary to have a national marketing order, but there could be regional marketing orders, such as there are in the milk business.

Mr. RESNICK. That is correct.

Mr. HAGEN of California. As I understand it, the problem in the egg business, even in those areas where production is growing, is that the large integrators are taking over the whole operation. If there were a marketing order program the chances of the small farmers surviving would be augmented; is that correct?

Mr. RESNICK. That is correct.

What lies at the root of this price squeeze which these people are now feeling—a price squeeze of seeing income drop while expenses rise?

A dozen eggs sold for about 45 cents in 1947–1949, and today the price is down to less than 30 cents a dozen.

In the egg-producing industry the fault lies with the rise of the vertically integrated production unit. These integrators, usually large feed and grain companies, do not care for the traditional supply and demand theory of economics. They do not care whether or not they show any profits on the production of eggs so long as they sell their feed at previously set and very profitable prices. We have already seen the establishment of 1½-million-hen egg factories by such companies as Ralston Purina. With our national consumption of eggs produced by about 300 million birds, we can see that only a few hundred such factories are necessary to supply our country's needs. This trend is definitely antagonistic to the public interest. We need only imagine what would happen if a natural disaster, fire, or disease put some of these factories out of commission. Egg prices would rise drastically.

Mr. Chairman, I am introducing this amendment in an attempt to reestablish our national free enterprise system of supply and demand in the egg production industry. This proposed amendment has had a favorable report from the Department of Agriculture and from the Bureau of the Budget. At the hearings on the bill, the Assistant Secretary of Agriculture, George Mehren, spoke supporting this measure.

I understand that in the very near future we are going to be called upon to vote for a minimum wage proposal for farmworkers. How can we in good conscience vote for this much needed legislation if we do not attempt to increase the farmers' income now?

We cannot hesitate any longer. The hour is very late. If we do not pass this amendment on this farm bill, we will be in effect sacrificing many thousands of farm families. History will show that I am not crying wolf. In the past 5 years we have witnessed the total destruction of the family farmer in the production of broiler chickens, by the vertical integrator. I honestly do not believe we can even wait another year for this legislation.

Mr. Chairman, I respectfully urge the adoption of this amendment.

I hope to vote for that legislation.

I point out again that the passage of this bill will not establish a marketing order against the will of those people to be controlled. In our finest traditions, this will allow those people directly affected to cast a ballot on their futures.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I yield to the gentleman from Oklahoma for a question.

Mr. BELCHER. I should like to ask the chairman of the subcommittee, the gentleman from California [Mr. HAGEN] how long ago it was we had hearings on the egg bill?

Mr. HAGEN of California. I cannot state exactly. It was a relatively short time ago as these matters go.

Mr. BELCHER. At least 2 or 3 weeks ago?

Mr. HAGEN of California. Possibly 3 weeks, and certainly 2.

Mr. BELCHER. The chairman would have had an opportunity any of these days to call the committee together to report it out?

Mr. HAGEN of California. It has not been easy, because we were in the middle of considering this overall farm bill in the committee, without the egg proposal. That was part of the problem.

Mr. RESNICK. Let me ask my colleague a question. The subcommittee did not act unfavorably toward this proposal?

Mr. HAGEN of California. That is correct.

Mr. DAVIS of Wisconsin. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One-hundred-three Members are present, a quorum.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, this is, without any question, the biggest legislative package in the history of the Congress dealing with agriculture. It provides for a longer than average period of time, at least if we judge averages by the past 5 years. It provides authority for a 4-year cotton, wheat, and feed grains program and gives 5-year authority for the Secretary of Agriculture to enter into contracts extending up to 10 years for land retirement, a program to be superimposed on top of the existing commodity programs.

Because of its size, duration, and lack of promise it has been accurately described as an \$18 billion boondoggle. Because of these dubious attributes it has attracted rather wide press attention. That news account for the press coverage given today to the compromise deal worked out by the Democratic leadership intended to give the bill the votes needed for passage.

Mr. Chairman, this compromise deal we have read so much about means just one thing, that is, that the Secretary of Agriculture, Mr. Freeman, literally got caught with both hands in the consumer's pocketbook.

The compromise gets one of his hands out, but this, in my opinion, is not enough. The deal just eliminates one part of the bread tax, less than half of it. One of Freeman's hands, you might say, is still where it should not be.

I intend to see that an amendment is offered to strike the entire bread tax from this bill. The compromise would finance the higher payments to wheat farmers from general revenues instead of by means of a higher bread tax. This deal would leave the most of the bread tax, however, untouched. Only 50 cents of the total of about \$1.30 per bushel would come from general revenues and the rest would be bread tax.

By the Secretary's own figures—and you will all recall, I am sure, getting a letter from the Secretary on this subject—the cost of the ingredients in a loaf of bread would go up about seven-tenths of a cent for the 50-cent value of the certificate. This means the remaining 80

cents, after the proposed compromise deal goes through, is a bread tax valued at more than 1 cent per loaf. This comes to 5 percent of the price of bread—hardly an incidental item to the fellow who has to hunt around for nickels and dimes to pay for his grocery bill.

The tax on flour is even higher. Even granting that this compromise goes through and you knock out a part of the bread tax, the remaining bread tax would be 2 cents a pound on flour. Compare this with the 12 cents a pound average price the housewife pays for flour. This is more than 15 percent of the retail value of the commodity.

So, let us not be fooled by any reports that this compromise is going to eliminate the bread tax. The bread tax will still be there, an amount exceeding 1 cent per loaf on bread and 2 cents per pound on flour.

As we consider this gigantic piece of legislation, we ought to ask ourselves, what are the taxpayers going to get for their \$18 billion when the 4 years are over, and the money spent? And where will the cotton people be, where will the feed grains people be, and where will the wheat people be? There is nothing in this bill which gives any substantial hope that any one of these commodities will be in a better position than it is right today. It means that when the 4 years are up and the \$18 billion has been spent, the basic farm problems will remain untouched.

There cannot be much dispute about the contention that these programs have been ineffective. We have all received a lot of literature indicating how much worse things might have been had some other type of program been in effect. They mention savings that have been brought about by these multi-billion-dollar programs. Savings? That is the kind of savings that my wife tells me about when she comes home and says that she bought a hat for only \$10 instead of spending \$20. She tells me that she saved \$10 on that transaction. That is the type of saving the administration spokesmen are talking about when they say that there are savings in these programs.

You could save the same kind of money if you were to go window shopping and just look at furniture instead of going in and buying it. In this jargon, you save by not spending money. But the important thing is not what might have been, what might have happened if some still worse programs had been in effect. What matters is what has been actually spent on these programs.

Look at feed grains, for example. This year, the Department is spending more than \$1.5 billion for feed grains. The Department is spending that money to retire land, trying to bring production into balance with demand. What did we get for the \$1.5 billion? We retired about 36 million acres of land. We rented as taxpayers 36 million acres of land under the feed grains program. And guess what? The crop reports now announce that we are going to have the

biggest crop production in history. We have had a record of all-time-high spending on feed grains and we are going to get the biggest crop in all history. So what do we have for our money? All we have is the empty assurance of the proponents of this legislation that things might possibly have been still worse.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. HAGEN of California. The gentleman does not advocate abolishing all farm supports, does he?

Mr. FINDLEY. I think that is an ideal goal, I will say to the gentleman. Getting there without wrecking the farm economy is the problem. It is a problem that can be solved but the simple fact of life, I am sure the gentleman will agree with me, is that this 4-year, \$18 billion program does not move 1 inch toward that ideal situation in which the farmer can compete in the marketplace for better income, for better prices, for expanding markets.

The wheat program is costing about the same as the feed grains program. If the cost of the bread tax is added, the cost is still higher. Do you know what this taxpayer outlay for the wheat program represents in terms of the value of the crop? Two-thirds. The outlay by the taxpayers comes to two-thirds of the value of the entire wheat crop.

It has not reached quite that point under feed grains, but it is gaining. The cost to taxpayers represent 22 percent of the value of the feed grains crop of this year.

Now, Mr. Chairman, take cotton for example. The taxpayer cost comes to more than one-third of the total U.S. value of the cotton crop produced in the United States.

If we made allowance for the fact that American cotton is artificially pegged at this high price through this farm program with which we have lived for about 30 years, then the percentage of the value of the crop represented by the outlay by the American taxpayer would be roughly 50 percent. Government holdings of cotton are nearly at an all-time record level. The cost this year of the program will exceed \$700 million.

Mr. Chairman, what is wrong with farm programs generally? This is a good time for a little talk on basic philosophy. These farm programs are based on some very unsound assumptions.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. FINDLEY. The most unsound assumption of all is that farmers should be singled out for price fixing. Why should they be singled out for price fixing any more than any other segment of the marketplace economy?

Thirty years' experience with Federal price fixing has led to nothing but problems for the farmers, for the consumers, and for the taxpayers, and the commodities that have been relatively free of price fixing and controls, are the commodities that are basically the healthiest.

Mr. Chairman, the second unsound assumption is that Government can effectively control production by just cutting back on the number of acres that are planted. As I said earlier, under feed grains the taxpayers retired over 36 million acres and got the biggest corn crop, the biggest grain sorghum crop, the biggest crop production in American history.

The third assumption which is unsound is that Government can run farms, can make the management decisions for this vast agricultural enterprise of ours better than the farmers themselves. This unsound assumption has led to schemes like those this legislation proposes to keep in motion for another 4 years and for another \$18 billion worth.

Of course, Mr. Chairman, of the many features of this program, the most surprising in this era in which we are making such an effort to combat poverty, is the method of financing part of the wheat program. I refer of course to the bread tax.

It is curious that 10 of the major States in this Union that have sales taxes have recognized the problem of food costs to the low-income people by exempting food from the imposition of this sales tax. These States are California, Connecticut, Florida, Maryland, New York, Ohio, Pennsylvania, Rhode Island, Texas, and Wisconsin.

Here, Mr. Chairman, the administration in this legislation is proposing to go exactly in the opposite direction, to continue the bread tax imposed a year ago, a tax which hits the poor people the hardest. The Department of Agriculture statistics show clearly that those of low income depend most heavily upon flour and flour products in their diet. A family with an income of under \$2,000 per year uses more than twice the poundage of flour and flour products as does the family with an income of \$10,000 or more.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New Jersey.

Mr. JOELSON. I understood the gentleman to say with the compromise there would still be a so-called 1-cent-a-loaf bread tax. That is not my understanding. I would like the gentleman to answer that.

Mr. FINDLEY. I am glad the gentleman brought that up, because a lot of people are misinformed. If the compromise deal goes through, the major part of the bread tax will remain, the same bread tax that is on the products today. It amounts to 1 cent a pound on bread, and 2 cents a pound on flour.

Mr. COOLEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman who just addressed the House spoke about Members being confused. I think he is the most confused Member of the House of Representatives. If he thinks by abolishing all farm programs we can bring prosperity to the agriculture of America he has another thought coming. Some

engage in this business of standing up here and advocating repeal of programs which have operated year in and year out successfully, well, and very inexpensively, until your party came into power in January 1953. With the accumulated surpluses, with our warehouses bulging with food and fiber, if these programs were abandoned, anyone would know that this would cause chaos and a depression of gigantic proportions to this great country of ours.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. POAGE] chairman of the Livestock and Feed Grain Committee of the House Committee on Agriculture.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. JONAS. I do not want to engage in a discussion with the gentleman from Texas if he wishes to devote his time to feed grains, but I am not quite satisfied with the colloquy between the gentleman from Illinois and the gentleman from New Jersey about this increase in the bread tax. Might I ask the gentleman to clarify that?

Am I correct in my understanding that the increase of 50 cents per bushel will not be required to be paid in the future by wheat users if the proposed amendment is adopted?

Mr. POAGE. That is correct, under the proposed Cooley amendment.

Mr. JONAS. In his reference to the bread tax remaining, he referred to the current situation, did he not?

Mr. POAGE. That is right.

Mr. JONAS. It is not changed by this legislation?

Mr. POAGE. The gentleman from Illinois just said what would remain would be the tax we now have. We now have certificates, but they have not raised the price of wheat 1 penny. The price of wheat, plus certificates, results in a cost to the miller as low as it was 2 years ago. The result is there has been no increase in the cost of bread and while it should not have added to the cost to the consumer, the 50 cents, had it been produced under the method which was originally suggested by the bill, would have added 50 cents to the cost to the miller. It will not do so under the proposed amendment to be offered by the gentleman from North Carolina.

Mr. JONAS. There is operating in my district a processor of flour products, who uses one car a day. That is 365 railroad cars of flour a year. He sells his product at 5 cents a package. He simply cannot absorb a 25 percent increase in raw material cost in an article which sells for 5 cents. I want to be sure if this amendment is adopted there will not be any increase in the price consumers have to pay for wheat.

Mr. POAGE. No, sir. On the contrary, if the amendment which the gentleman from North Carolina proposes to introduce is adopted, the cost of wheat to your constituent and other milling operations in the United States will be

substantially less than it was 15 years ago. Wheat was selling for \$2.40 a bushel 15 years ago. It will be selling, under the amendment that the gentleman from North Carolina will offer, for \$2 per bushel. So the mills will be paying substantially less, not more, and about 42 cents a bushel less than they paid 15 years ago.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. COOLEY. What has happened to the cost of bread to the consumer in the meantime when wheat was going down?

Mr. POAGE. Well, it has gone up a little more than 8 cents a loaf during that period of time.

But if I may turn to the feed grain provision, in which there are no certificates and I hope there is possibly greater agreement on the feed grain program with which we are all acquainted and which has been in operation now for 4 or 5 years—at least 4 years I would guess.

It has cost a great deal of money. No one is going to dispute that. But it has in spite of all the statistics that have been presented worked well and it has maintained the income of feed grain producers and that means primarily corn producers. Corn is by far the largest crop in the United States measured in volume of bushels and in dollars. Some of our folks are interested in maize and some other people out in California are interested in barley and somebody else has some interest in rye or oats or something of that kind. But basically we are talking about corn—the biggest crop in the United States. We have stabilized the price of corn. It has moved at relatively fair figures. It has brought to the producer a degree of prosperity that has been lagging for a good long time and at the same time it has moved into the channels of trade—into the feed mills of the East. It has moved into the feed mills of the East at a lower figure than it was moving before we had the feed grain program. The reason is we are supporting corn at approximately \$1 a bushel. Next year we will be paying 25 cents a bushel directly to the farmer which means that the corn producers gets a return of, let us say, \$1.25 in the Midwest and the cost of corn to the east coast or west coast user is \$1 plus the transportation.

So that those of you who are interested on the east coast or the west coast in any kind of feeding operations must bear in mind this feed grain program enables you to buy feed more cheaply than it would be possible for you to do were we using the old loan program alone. Because if that is all we had, you would have to pay the entire return to the farmer plus the transportation. So the program has worked real well for the people.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. JONAS. I hope the gentleman will expand on that just a minute because I am trying to figure a way to explain to my farmers who are in a deficit feed grain area that this section will

benefit them. I hope the gentleman will elaborate on that.

Mr. POAGE. I hope I can.

Mr. JONAS. And I hope the gentleman will give me some answers because they do not think it has helped them in the past.

Mr. POAGE. I hope I can. Of course, the figures I have to use are rough figures—I cannot use exact figures for any given area, you understand. But if you are growing corn in Illinois and get \$1 a bushel for it and the Government pays you 25 cents a bushel, then you get \$1.25 out of your corn. That is about what we are doing. Then if you are in North Carolina and are growing chickens and feeding corn—

Mr. JONAS. Or cattle.

Mr. POAGE. Cattle, hogs or anything else—and you are buying corn on the basis of \$1 corn in Illinois—you are buying it on the basis of \$1 because that is what it is selling for. But the producers get \$1.25 because they get \$1 support. Sometimes the market goes higher—plus the 25 cents payment from the Government.

The producer gets \$1.25, which is a good price for his corn. The feed man buys it for \$1 and ships it. I do not know what the transportation costs are, but he will get it in North Carolina 25 cents cheaper than he was able to get it when we had a loan program. At the same time the man in Illinois would get the same return as he would out of a loan. When we made a loan in Illinois for \$1.25 on that corn, the corn sold to the feed dealer, who sold to the man in North Carolina, for \$1.25, and he had to move it into North Carolina, and he had 25 cents a bushel more in the corn. So the man in North Carolina will now get the corn for 25 cents a bushel less than he had to pay under the loan program, which gives the producer in Illinois the same return for his corn.

That is why I believe it is advantageous to the people on the two extreme coasts of the United States. Obviously it is advantageous to the corn producer, in that it gives him a guaranteed fair return for his corn.

This program has worked. Your people know it has worked. The corn-producing people know it has worked. We all know it has worked. In spite of anyone's figures, all it is necessary to do is to ask a farmer, and we know it has worked.

It has been expensive. I do not want to deny for 1 minute that it has been expensive, as any strictly voluntary program is going to be. This is a voluntary program, because no man has to go into it unless he wants to.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Wisconsin.

Mr. STALBAUM. The gentleman from Texas has well pointed out how the program has worked. Might I add that he has not made reference to the fact that it has worked in reducing Government stocks in storage. The stocks have been reduced in spite of this movement of the feedgrains in the economy satisfactory to the users.

Mr. POAGE. That is absolutely a fact. Our stocks of feedgrains have dropped down to the point that we probably do not need to drop them very much more—probably some 8 million or 9 million tons will drop us down to about what we want to carry.

Mr. STALBAUM. If I might point out to the committee, the original figure was about 85 million tons in storage in 1960, and it is now down to 55 million tons. It is believed that somewhere between 40 million and 45 million is the irreducible minimum in this area.

Mr. POAGE. That is correct. We have done the thing we want to do.

I should like to take this opportunity to point out that that is the item about which some of my friends have been complaining. Whatever you sell out of stocks, of course it tends to lower the price. Of course it lowers the price.

The Secretary has, in keeping with the mandate of this Congress, sold from stocks, as he should sell, because he must sell out of stocks if we are ever to reduce those stocks. When somebody complains that the Secretary of Agriculture has been breaking the market by selling grain into the market we must remember that the only choice is to sell it into the market or to keep it and pay storage on it. We cannot keep grain, we cannot keep cotton, and we cannot keep wheat forever. We should not keep it and pay storage on it the rest of our lives.

Yet if we do not do that, if we do not sell it into the market, we are going to have to keep commodities in storage and we will have to keep paying storage on them. That, my friends, is the simple question that has been raised. Do we want to keep these commodities in storage forever and pay storage on them, or do we want them sold on the market?

Of course, if they are sold on the market this will adversely affect the market. Any fourth-grade boy should be bored for the simples if he does not know that to sell on the market would lower the market.

Where do you think the Secretary should put that grain? What do you want done with it? You cannot eat it up. It has to go on the market when the market wants it. That is the only thing you can do with it, and that is all that all this criticism of our Secretary is about. He has done a good job and an honest job of selling this. He sold it as the Congress directed it should be sold. We have gotten the results we need, and this program will but continue that for another 4 years. I think we all want to continue the feed grains program.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes. I yield to the gentleman.

Mr. NELSEN. I wish the gentleman would elaborate a little bit relative to the colloquy we had a couple of years ago about establishing a farm base. Some of us happen to be in the unfortunate position of not having a base on our farms so we cannot participate in the program. As a result of the policy which you so loudly laud we are competing with a price which has been re-

duced, as you pointed out to the gentleman from North Carolina. They can buy for a dollar, which is favorable to them, but we are competing in our area, some of us, with a market which has been disturbed, I think, by the Government at the same time that we have been denied entrance to the program. I wish the gentleman would elaborate on what we can do to establish a base on a farm and then participate.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. POAGE. We could go to a complete study of revising our bases. Maybe we should. This bill does not do that. This bill does not attempt to change the base structure nor the method of establishing bases. I would agree heartily that there are injustices, and they have been there for a great many years. They have grown up over a long period of time. We probably should correct it but they have not been corrected, and this bill does not attempt to correct them.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes. I yield to the gentleman.

Mr. COOLEY. The gentleman has the right to appear before the local board.

Mr. NELSEN. That is right.

Mr. COOLEY. And appeal to them at the State level and then appeal at the Washington level. There is some authority for making adjustments or new allotments.

Mr. NELSEN. I understand that, and we have discussed it before. I am well aware that the machinery is there to do it, but it is not done. I want this colloquy to indicate the intent of the Congress to do exactly that.

I thank the gentleman for his contribution.

Mr. DAGUE. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, I think my good friend from Texas did a pretty good job of explaining the method by which you raise corn in Illinois and sell it in North Carolina, but he lacked a little bit of completely clarifying the issues so that the gentleman from North Carolina would know why it is his farmers are able now to buy at 25 cents less than he did under the original program. It is true the man in Illinois used to get \$1.25 and ship it to North Carolina and the man there paid \$1.25 to him plus the freight. Now the man in North Carolina pays the man in Illinois \$1 and the corn goes down to North Carolina and the taxpayers make up the extra quarter. So your farmers are not indebted at all to the people of Illinois and are not indebted to the Committee on Agriculture but are only indebted to the ribbon clerks and the charwomen and everybody who earns any kind of a salary in this country, because those people are paying your cattle feeders down in North Carolina 25 cents on every bushel of corn that they feed. So as long as you are representing cattle men I would say to my good friend that this is a good program. If, by any chance,

however, you should happen to have a taxpayer in your district, it is not such a good program for him.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, as we now meet to debate the agriculture bill, I will say that in some respects this bill makes some improvements in the law. During the night there were some changes agreed to in the legislation by the Democrat leadership in the House that will make it much more acceptable to me. Let me talk about that first, because I am glad that the chairman of the Committee on Agriculture has come before this House and said that he will propose the Quie amendment to remove what has now been called the bread tax. It has been called the bread tax because the processor would have been expected to pay an additional 50 cents a bushel for the wheat that he mills.

Last Congress there was this talk about a bread tax because the processor was required to buy a certificate. Since the loan plus the certificate would equal \$2 a bushel, which was about what the price of wheat was before the present law, the label did not stick. This bill would have pushed the cost to the miller up by an additional 50 cents and that \$250 million would, of necessity, have to be passed on to the consumer.

The Secretary of Agriculture said that this would be seven-tenths of a cent on a pound loaf of bread. There are other costs that relate to the basic cost of the commodity which would have pushed it up to a higher amount, but I think it is pretty well agreed that the cost of bread would have gone up by 2 cents a loaf.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. TEAGUE of California. Am I not correct, even though the Cooley-Quie amendment is adopted, under the provisions of the bill or the present law, we will still have a 75-cent certificate or "bread tax"?

Mr. QUIE. We will still have a 75-cent certificate. I might say that this program is different than the cotton program to that extent. We now will have one-price cotton. We have been working toward one-price cotton and we have it under this bill. It is called one-price cotton since the price for cotton on the domestic market will be the same as in the world market. The cotton mills in the foreign countries will not be able to secure U.S. cotton at a lower price than the U.S. mills as has been the case under old cotton law. But in the case of wheat, this will not be true. Those who buy wheat overseas will be able to buy it at the world market price which will be approximately what the loan is in this country, while the domestic millers will have to pay 75 percent extra if the Quie amendment is adopted. I would say that at least the Quie amendment would prevent an increase of 50 cents making a total of \$1.25. Under the cotton title, export and domestic cotton will sell at the same price. Under the wheat title

export wheat will be \$1.25, domestic food wheat will be \$2.00 if my amendment is adopted and \$2.50 if it were not.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. HAGEN of California. With respect to the existing cost of that certificate, that was a sort of a trade-off, was it not? The price support was reduced so that the difference was made up in the certificates. Actually the miller gets the wheat at the same price in the absence of the certificate plan. In essence, it is not a tax. The miller is getting the wheat at the same price.

Mr. QUIE. Except that it would be more accurate to say that the tax in the form of a 75-cent certificate on top of the loan of \$1.25 makes the price to the miller about the same as it was on the market before the present law. I say about the same since the certificate plan adds some additional expenses to the processors and also he has not been able to buy wheat at the loan price but about 7 cents higher since the market price has bounced against the resale formula.

Let me say, however, about this 50 cents extra that would have come to a 2-cent-a-pound increase on a loaf of bread, that it is true that the price of bread has increased over these past years. I have heard some people blame it on organized labor. I have heard other people blame it on increased profits, or the gains of these big millers, or on the "bread trust" that we have been hearing about. The reason I believe the amendment was dropped over night is that the people who would be to blame for the increased price by 2 cents would have been the Members of Congress. Nobody could say, "Oh, it is those laborers who are getting it" or "The millers are getting it," or "The bakers are getting it." They would only say that the Congressmen were the ones who were responsible. I recall that when a sales tax was passed in a State, often the Governor lost out in the next election, it was because the retailers, when they explained the increase in prices due to the sales tax would say, "A penny for the Governor." In the fall of 1966, since the 50-cent increase in tax would have gone into effect, on July 1, 1966, you can imagine the grocers all saying, "2 cents for the Congressman, 2 cents for the Congressman," when they explain why the bread prices went up.

You can imagine the turnover in this body would have been pretty great next year if that had happened.

But basically, Mr. Chairman, I think it is unwise when the Government makes a payment to the farmer to collect the money for the payment by an excise tax on the processor. In feed grains, in wool, and in cotton under this program, we finance the cost out of the Treasury. By levying the tax so it comes from the consumer it turns out to be the most regressive tax imaginable. In the sales tax States, some exemption for foodstuffs is provided, but here the most basic foodstuff, where the poor people eat more wheat products in their diet than the rich people—in fact practically twice as much is consumed by those of incomes under \$2,000 and those with incomes of over \$10,000—this would have meant

poor people would have paid double the tax of the rich. This is a regressive tax and that is why I am glad the "bread tax" provision will be eliminated from the bill.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I certainly wish to confirm what the gentleman is saying and I am glad that the people involved in this are working this thing out. I know that the gentleman from Minnesota has been active in trying to change this formula and many Members on this side have been active in regard to it. I think it is most encouraging that this compromise is being worked out.

However, the gentleman from Minnesota said that even if the Cooley amendment is adopted—the Cooley-Quie amendment, or whatever you want to call it—the 75-cent tax would continue as it has been for the last 2 years.

Mr. QUIE. That is correct.

Mr. PUCINSKI. Mr. Chairman, if the gentleman would yield further, would the gentleman be in position to tell me, should this bill be defeated, would this in any way alter the present 75-cent payment on wheat? In other words, would the 75 cents continue in existence even if the bill were defeated?

Mr. QUIE. If the bill were defeated, the wheat law goes back to the referendum process and a referendum will be held again similar to the one which they held in May 1963 when at that time the farmers chose not to have a mandatory program, but to take 50 percent of parity under a voluntary program, supports if they complied, but no price supports if they raised all they wanted to raise above their allotments.

Mr. PUCINSKI. If the gentleman will yield further, am I correct in assuming that whatever action we take here, notwithstanding that fact, the 75 cents that the gentleman spoke of will continue?

Mr. QUIE. No; the only way it could continue is if a referendum is passed. So, very likely, if history repeats itself and the farmers again defeat a referendum, then we would not have the certificate program. If they did pass the referendum, we would continue to have a 75-cent tax. It would depend on the vote of farmers participating in the referendum which now, under a resolution passed by this Congress, would come within 30 days after Congress adjourns.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. So there would be no change in the price of wheat if they passed the referendum?

Mr. QUIE. That is what I said. The 2-cent increase on bread, however, would have been of great harm also to others such as bakers who depend only on the baking of bread for their livelihood, the small bakers and also the small millers who may depend only on the milling of flour. It would especially represent a hardship on those who live close to the Canadian or Mexican borders. I have received some mail from Detroit to the

effect that they have been upset about the fact that Canadian bread, which does not have any import levy against it, can come in and compete against them. If you will look at the minority views you will see the effect of an increase in the cost of bread by about \$20 a ton and also of \$40 a ton. This competition would have moved into the country which would have been harmful to the bakers, the millers, the people who are working in the flour mills, and the bakeries and those who truck the wheat products around.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Under this bill, if enacted, could a cottonfarmer plant from fence to fence or plant all of his acreage or go out in the community and rent land and plant it, if he accepted the world price?

Mr. QUIE. If he accepted the world price; yes, he could. However, he would receive no help from the Government whatsoever.

Mr. PASSMAN. I thank the gentleman very much. The gentleman has answered the question.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. RESNICK. The gentleman from Minnesota keeps referring to 2 cents. As a matter of fact, the figure itself is seven-tenths of a cent. I also wonder if the gentleman is aware of the fact that the price of bread within the last month has already gone up 2 cents in many areas of the country including New York City, without any increase in the price of wheat? Is the gentleman aware of that?

Mr. QUIE. Yes, and I have expected it to come about.

Mr. RESNICK. In anticipation of this increase?

Mr. QUIE. No, as a result of the action which the Congress took in the last Congress.

When the millers produce flour they contract ahead for a long period of time. They expected the price to be \$2 under last year's certificate plan, but it did not turn out to be exactly that. The market price went up to the resale formula, therefore millers had to pay a greater price on the market than \$1.25. The cost of handling the certificates increases the cost of doing business as well, and this pushes it up also. When the flour contracted for does not bring the expected profit the next contract must be increased. This also proves that the other costs relating to the basic cost of the product move up also. The result was an expected increase and the 50-cents processors tax would have added another increase.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. RESNICK. They might have anticipated their costs. I am a member of a firm that deals with industry. We buy many, many items. Very often we have to absorb these increases. We saw that

the steel industry after protesting that they could not operate, absorbed it and also dropped the price of steel. Again I come back to the same point. The point is that the price of bread has already gone up. In my hometown it has gone up 3 cents a loaf. That is without any increases. Does not the gentleman think the seven-tenths of a cent, as between the retailers and millers, might have been absorbed?

Mr. QUIE. I do not think you can say that \$250 million being added to an industry can be absorbed.

Mr. RESNICK. They did it in the steel industry.

Mr. QUIE. You cannot expect an industry to go without profit.

Mr. RESNICK. There is the steel industry.

Mr. QUIE. Every industry is different. When you compare the steel industry with the wheat industry you will find them altogether different. Also the Congress did not levy a processors tax against the steel industry. If they had steel products would have gone up in price also.

Mr. RESNICK. This would have been spread over three different profit centers—miller, baker, and the retailer. There are three different places where this seven-tenths of a cent could have been absorbed. There was no attempt made to absorb it. We find that the seven-tenths has gone to 2 cents, and this increase has come about even though we think there will be no increase.

Mr. QUIE. I keep hearing this all the time. Some Members of Congress like to pass off their responsibility onto some scapegoat. This is one. You cannot deny that. This increase is going to be our responsibility, nobody else's. If you believe industries ought to go without a profit, that is not the way industries are operated. When raw materials go up in price, industries increase the price of their product. The difference between the farmer, the producer, and the consumer, is that, if anyone is going to make a profit it will be those between the farmer and the consumer. They buy as cheaply as possible, and they try to get as much as they can get. That is the way we operate in this country. If the industry is taxed and they are prevented from taking it out on the farmer, they will pass it on to the consumer. Those who can do neither, cannot compete with those who can.

Mr. CALLAN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Nebraska.

Mr. CALLAN. I have heard a great deal of argument made about profits. Bread in the supermarket 2 weeks ago was selling 10 loaves for 99 cents.

Mr. QUIE. I can say you will not be credited for that, but as bread increases from July to November of next year, that would be different. If we put the bread tax on, you would then be blamed for the increase in price.

Mr. CALLAN. We talk on the one hand about where this increase is going to increase bread prices. On the other hand, we have a situation where we can

buy 10 loaves for 99 cents, which means that the price of wheat in a loaf of bread does not make much difference.

Mr. QUIE. You cannot say that. In some stores they sell milk for what it costs them to acquire it. This is no indication that there will be no basic price increases. Stores have their loss leaders which must be the case to which you refer.

Mr. PURCELL. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Texas.

Mr. PURCELL. Does the gentleman now feel that if this amendment that we have heard discussed is adopted there will be no need to raise the price of bread?

Mr. QUIE. The passage of this bill with my amendment should not cause any increase in the price of bread. I cannot say there are not other factors that taken into consideration may increase the cost of bread. I am not going to stand here and say that because of this bill, it denies them the right to increase the cost of bread. This is up to them and the economic factors that they face will determine the price they charge for bread. It may be what they can secure from the consumer—all that the traffic will bear. But I do agree with the gentleman from Texas, the chairman of the wheat subcommittee, that nothing in this bill, if my amendment which the chairman of the committee will offer, is adopted, should cause an increase in the price of bread.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. JONAS. This is crystal clear; is it not—if the bill as written passes, that is the wheat section without amendment, the price of wheat to the processor goes up 50 cents a bushel?

Mr. QUIE. That is correct. With the amendment this is removed from the charge to the processor.

Then going into other commodities, and I might point out that in the committee I did vote for some of these various titles as they came up with the exception of the wheat section and the cotton section. Let me say, I think we can make an improvement in this bill. With feed grains, I think we can make an improvement by an amendment to prevent the Secretary of Agriculture from accumulating the payment-in-kind feed grains which he has authority to merchandize, but can resell at 100 percent of the loan plus carrying charges.

The Secretary of Agriculture has accumulated quite a supply of payment-in-kind feed grains—the ones that he advanced payments on when he made the payments-in-kind to the farmers since he has not merchandised a great amount of them. The farmer under the law can let the Secretary merchandise these commodities for him. The Secretary now has accumulated more than 1.5 billion bushels of PIK grains which can be sold at any time as low as the loan level. I think the intent of the feed grain program when we enacted it in its present form was this—the Secretary could sell the feed grains that he used for payment-

in-kind at the loan level plus carrying charges within that marketing year. It was never anticipated that he would accumulate this much and hold it over the market with the right to sell at the loan price. The surpluses he presently has were to be resold at not less than 105 percent of support plus carrying charges.

For this reason I think the accumulated PIK feed grains ought to come under the 105-percent resale formula. This would make a great improvement in the feed grain bill.

On wheat I think one of the difficulties here is the fact that the 105-percent resale formula is so low as compared to the \$1.25-a-bushel loan that this does not give any place for the market to function. It puts the Department into the business of really being the biggest competitor on the market and setting the price of wheat. I urge you to read the minority views signed by myself for a full discussion of this.

I think if our marketing system is going to function, we need some latitude between the loan level and the price which the Commodity Credit Corporation will resell on the market. If the price-support loan was at 90 percent of parity, a 105-percent resale formula would give about the same price differential as 110 percent would do when the loan is only \$1.25. The 105-percent resale formula does not fit with the loan.

For this reason I hope the committee will accept at least an increase in the resale formula from 105 percent to 110 percent of the loan level. This will help the farmer secure a better price, encourage him not to turn his grain over to the Government, strengthen the market system, and cost the Government less money.

With reference to cotton, I think we are in the right direction when we try to develop one-price cotton. I feel this is the only way we are going to save our cotton industry.

We do not have any cotton in Minnesota, but I do have a concern for those parts of our country that depend on cotton as an industry. If we can do something to help them to meet their problems and to help alleviate the problems that have been concerning them since 1961, we ought to work toward that. For this reason I believe a move toward one-price cotton for loan at about 90 percent of the estimated average world market is right and that is what it would be after this year if this bill is passed.

There is one part of the cotton program that I do not approve of and that is the sale or leasing of allotments to other farmers because if the farmer purchases the right to produce from another farmer, then he has an investment in the right to produce and not just in the value of the land as it might have increased in value due to the cotton allotment. If a farmer purchases the right to produce he has a vested economic interest which the Government cannot ignore.

If we do solve the cotton problem or sufficiently so, we will not need strict allotments for cotton farmers, and if that happens, the farmer will find that the

allotment he purchased with hard cash has evaporated. He would be continually working for the type of cotton program that has failed in the past in order to protect his investment.

Also, I believe it would be terribly unwise if the sale and lease of allotments were at some later date applied to wheat, as there was consideration of this year, and it would be even worse to move it into feed grains. I do not believe we ought to permit this foot in the door toward the sale or lease of allotments. It is an extremely unwise provision. I believe this should be dropped from the cotton bill, and then we would have a measure which I would recommend my colleagues support.

So far as dairying is concerned, while I do not believe this will do a lot of good I do not believe it will do any harm. About all it will do is expand the period of time in which a class I producer can establish his base. Now they establish a base in a period of less than 1 year, typically a 3- or 4-month period. This bill will enable them to extend the base establishing period over a longer period of time, and anybody who greatly increases his total production will not be able to dilute every other farmer's production and base in the marketwide pool. For that reason, if it does fit into a particular Federal milk marketing order, it will not be accepted by the farmers since the farmers will be able to vote on the one-person, one-vote basis. I believe if farmers can develop this class I base plan under the authority of this bill they can pass a referendum only if the program is developed in such a way as to be acceptable to two-thirds of all the farmers, and it would be acceptable to us with such support.

On the last title, the cropland adjustment program, I support this provision. It is similar to the old soil bank. I hope some of the mistakes that were made in the first few years of the soil bank will not be made again. I doubt that they will, because many men in the Department of Agriculture are held over from that period of time.

I believe that one of the best provisions of this title which should be fully utilized and encouraged and will find the greatest approval by the non-farmers is the provision for special emphasis on the wildlife cover and raising wildlife on the land. The expansion of game bird population, for instance, on the farm land is desirable. The open access for people to hunt will make this program much more acceptable to non-farmers. It will not be looked on as a means for the farmers to be paid for doing nothing. It will be a help to local economies as people from the cities travel out to the country to partake of the recreation and wildlife opportunities on the retired farms.

The tourist dollar has the greatest potential in the rural areas. I remember somebody saying down in the southern part of this country that tourism brings in more dollars than cotton and the Yankee tourists are a lot easier picking. The cropland adjustment title with this provision makes it a much more acceptable bill.

Mr. Chairman, let me say in closing, this bill could be vastly improved, and if I had my way, would be drastically changed. However, with the amendments I have referred to, I believe the bill will be an improvement over present law.

Mr. COOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. ABERNETHY].

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. ABERNETHY. Mr. Chairman, I shall try to place in perspective the cotton problem which this bill seeks to deal with in title IV. It is my sincere hope in doing so that I may help to make our efforts more fruitful than similar efforts have proved in years passed.

In the long view of our experience with farm problems and Federal farm programs, it is doubtful that this body has ever faced a more crucial and perplexing problem than the one now facing us in cotton.

The problem simply stated is that our ability to produce cotton exceeds our ability to market or get cotton consumed at the levels of price we have deemed necessary to maintain the income of cotton growers. The vital core or crux of the problem is that in our efforts to improve the situation, too many of us have been obsessed with the now clearly erroneous idea that high cotton prices automatically mean good producer income.

As a consequence of this obsession, our vision has been blurred or obscured to the fact that our domestic and foreign cotton markets are being eroded by onrushing manmade fibers and increasing cotton output abroad. This is to say, our attention has been so tightly focused on assuring what were thought to be adequate prices that we have failed to see the even more important need of assuring the continuing availability of adequate markets through which to move the product once produced. We are now suffering the bitter results.

It is not my purpose to review in detail the agonizing story of how our once great cotton industry has deteriorated to the desperate State in which we find it today. I do want, however, to cite some of the reasons why it is now all too clear that the approach of last year was not a proper one and why it would be unwise to extend legislative authority for this approach or a modified version of it as now proposed in H.R. 9811.

Let us recall the scene of just over a year ago when the situation in cotton was such that Congress had no alternative but to act if we were to avert certain disaster. The industry, as we viewed it at that time, was characterized by rapidly declining markets both at home and abroad. Rising imports from foreign textile manufacturers who were enjoying a sizable price advantage over domestic firms in the purchase of raw fibers. There was an ever-increasing domestic production. Government stocks were mounting. Program costs were intolerably high. There was a threat of severe acreage cuts and declining income for farm people.

In an effort to halt these devastating trends, there was hurriedly put together and presented a stopgap legislative proposal for congressional consideration. We heard the arguments for the proposal and a majority of us thought them sufficiently plausible and logical to merit our support. The proposal was thus passed and signed into law on April 11, 1964.

In the light of the situation now, after a 16-month test of this program, it is shockingly clear that this approach fell far short of the promises made for it at the time of adoption. It is likewise clear that the program has in no respect measured up the urgent needs of the cotton industry. On the contrary, the situation is worse now than when the present law became operative as attested by the following facts.

Consumption of upland cotton which was supposed to turn upward under this program increased domestically during the year; however, consumption dropped from the level of the preceding year by 1.1 million bales. Furthermore, the consumption gain made by cotton domestically was far exceeded by the gain in consumption of synthetic fibers.

It is all the more discouraging to note that the cotton consumption forecast for the 1965-66 marketing year is still appreciably below that of 2 years ago under the old program.

The carryover of cotton which was to go down under this program was 14.2 million bales on August 1, 1965, or 2.1 million bales above the level of last year. Judging from cotton production and consumption estimates for this year, the carryover on August 1, 1966, will top 15 million bales surpassing the record high of 14.4 million bales in 1956, which sounded the death bell of the then existing cotton program.

Cotton production which we were led to believe would drop substantially with the present program is apparently hardly down at all. The present estimate is for a 1965 crop of only 1.7 percent below the crops of 1963 and 1965 which were the largest in a decade. Yet, the signup by growers in the domestic allotment program this year supposedly removed a million acres from production.

Cotton cloth prices which we were told would decline after cotton mills started receiving the 6½ cents per pound subsidy provided by this law are actually higher now than before this year became operative. For July 1965 the wholesale value of 20 major cloth constructions was 65.30 cents per pound compared to 60.69 cents in July 1964, or a gain of nearly 5 cents.

Mill margins in July 1965 as reported for 20 major cloth constructions averaged 37.97 cents compared to 25.09 cents in July 1964. Obviously, the total of the mill subsidy payment plus the reduction in support level of 1964 and 1965 has been absorbed in mill margins.

The earnings of textile manufacturing firms have shown astounding gains, under this program. On June 14, 1965, the Wall Street Journal stated:

Cheaper cotton and higher priced products helped boost profits of 13 textile companies by 57 percent in the first quarter.

This article also stated that fabric buyers expected prices to drop after textile mills began receiving a Government subsidy on cotton of 6½ cents a pound last year, but prices are rising instead.

The June 1, 1965 report to stockholders by Burlington Mills, Inc. showed the earnings of this, the largest of the Nation's textile firms, during the first 6 months of this fiscal year to be \$34.2 million. This according to the report compared to \$22.7 million in the comparable 1964 period or an increase of 50.4 percent.

The earnings of farmers during the past year make a sad contrast. The combined value to farmers of cotton and cottonseed from the 1964 crop totaled \$2,546 million or more than 8 percent less than the value of \$2,784 million from the 1963 crop. Undoubtedly, the value of the 1965 crop will be less than in 1964.

Imports of cotton manufacturers, which we were told would decline after adoption of the present law are in fact increasing. The recent cotton situation report of the U.S. Department of Agriculture states:

Imports (of textile) on a raw cotton equivalent basis, totaled 307,400 bales in the first 5 months of 1965, nearly 20 percent above the 257,200 bales for the same period of 1964.

We were told that the approach set forth in the present law would reduce the cost of the cotton program to the Federal Government. Instead, we now find that this program cost some \$900 million during its first year of operation or almost twice the cost of the program it displaced.

The cotton program is not only failing to improve the cotton situation, it is adding to the problems of farmers producing other crops, since land taken out of cotton by this program is immediately diverted to something else—mainly soy beans and feed grains. Current estimates place the 1965 soybean crop at 864 million bushels, up nearly a fourth from last year's alltime record—23 percent to be precise—and feed grain output too is forecast at a new record level. I would remind you that, even with the short crop of last year, our feed grain program was already the most costly of our commodity programs. This year the cost will undoubtedly be—\$1.6 billion recent estimate—substantially higher.

Now please understand, Mr. Chairman, I do not wish to pick a fight with anyone in the Department of Agriculture. I know from long and close associations with the folks down there of the great difficulty—the virtual impossibility—of administering some of the programs. But we must face reality.

The present cotton program is the worst yet. We adopted it in good faith. The Secretary sought earnestly, I believe, to make it work. We now know it won't work and no kind of amending or repairing that we might do during these next few days can make it work much better. The test of experience shows unequivocally that this law is too faulty in too many respects to ever be righted. Were our concern only the well-being of textile firms and their fortunate stockholders, we might act differently. But our responsibility also includes farmers,

consumers, taxpayers, and the general public, not just the textile firms.

Let us then face the facts and dedicate ourselves to finding a truly workable and acceptable approach to alleviating our cotton problem, which is now of crises proportions, and start the rebuilding of a strong self-sustaining cotton industry.

There are other approaches to the goals we seek. This much we know—something must be done. And that something must include termination—not mere modification—of the present temporary law for dealing with cotton—lest we at the same time prepare ourselves to write the epitaph of our great cotton industry.

We would, in fact, be infinitely better off to return to the basic provisions of the Agricultural Act of 1958 than to continue the present program even with the proposed modifications.

May providence and wisdom guide our quest of the solution.

(Mr. ROOSEVELT (at the request of Mr. POAGE) was given permission to extend his remarks at this point in the RECORD.)

Mr. ROOSEVELT. Mr. Chairman, there is no sound argument against the need for wheatgrowers to receive more income. Over the past 15 years income of both labor and industry has risen to meet increased costs of living. The income of the farmer, however, has declined, and the farmer is forced to absorb increased costs of living out of his net worth and standard of living.

Figures show that a rural family is twice as likely to be living in substandard slum housing. A fourth of all farm homes have no running water, and rural American children are nearly 2 years behind urban Americans in educational achievement. Rural children receive one-third less medical attention than urban children. Unemployment in rural areas—including underemployment—ranges about 15 percent. Rural people have less access to credit for housing, for business expansion, or for public utilities. Only one-third of our people live in rural areas, but over one-half of our poverty is found there.

It must be noted that the farm income problem is not limited to "small inefficient farmers." Facts indicate our larger and more efficient farmers are not doing nearly as well as their counterparts in other industry. Our very best farmers fall far below the average of the Nation in the return on their labor and investment.

Farm policy is not something separate and apart. Food and agricultural policies affect our entire economy. It is also a part of our overall effort to serve our national interests at home and around the world. American farmers have produced abundant supplies of food—at reasonable prices—to meet the high levels of consumer demand growing out of a prosperous and expanding economy; an abundance sufficient to contribute to a positive foreign policy designed to combat hunger and further international development, and to help lay the foundation for world peace. As a matter of simple justice the farmer

should share equitably in this prosperity. The farmer deserves a place of dignity and opportunity.

It appears that everyone else involved in producing wheat food products has shared in the economic growth of our economy. The price of bread has increased every year since 1947. In 1947 a 1-pound loaf of bread retailed at 12.7 cents; in 1964 it was 20.7 cents—an increase of over 50 percent. In 1947 the farmers' wheat price was about \$2.75 per bushel and in 1964 the blended price to farmers was about \$1.75 per bushel. While farm prices were declining about 40 percent, bread prices increased by more than 50 percent. The U.S. Department of Agriculture reports factors which have affected the cost of a loaf of bread since 1947 have been; the millers' share increased from 6 to 9 cents, a 50-percent increase; the bakers and whole salers share increased from 5.7 to 11.4 cents, an increase of 100 percent; the retailers share increased from 1.9 cents to 4.0 cents, an increase of 111 percent; and labor's hourly wage increased from \$1.15 to \$2.33, an increase of 103 percent. But what of the farmer? In 1947-49 the farmer received 2.7 cents from a loaf of bread, but in 1964 he got only 2.5 cents—or a decrease of 8 percent.

Farmers produce in order that they may share in the abundance of consumer goods produced in the economy: cars, appliances, furniture, clothing, and vacations; and education for their children. That is why the prices farmers receive for their crops are so important—these prices determine how much money farmers will be able to spend for consumer goods. And that is why I have said that food and agriculture policies affect our entire economy, and that farm policy is not something separate and apart from the rest of the Nation's economy.

Today we have more than 50 million acres of cropland than is required to produce all the food and fiber that we consume and export. Without programs to guide production, new crop surpluses would be inevitable; and, it is a well-known fact, even relatively small surpluses can depress prices below the cost level of production. The American farmer needs and must receive the assistance of the Federal Government.

For the reasons I have set forth, commodity programs were initiated 30 years ago in the administration of President Franklin D. Roosevelt to help create a commercially successful agriculture. It was discovered then that commodity programs geared to current conditions in agriculture provide the most dynamic framework within which a family farm system can be maintained. These programs provide price and income support to the farmer while keeping production in check, and deals most effectively with the output revolution. In 1963 there were 3.5 million farms—U.S. Department of Agriculture, Office of Information, Washington, D.C., "Fact Book of U.S. Agriculture," January 1965. It has been estimated that fewer than 400,000 farms provide the families who operate them with anything close to parity of income. That is, an income approximating the

wages of a skilled factory worker and a reasonable return on investment. The majority of farmers do not even earn the equivalent of a minimum wage. And today, as in the 1930's, no individual farmer has any perceptible influence on total market policy or on price. As a matter of fact, the farmers' lack of choice about price and sometimes about where and when to buy or sell makes them passive participants in the market.

Under the price support program, each farmer is given domestic marketing certificates covering that portion of his crop to be consumed in this country, and export marketing certificates for that portion to be exported. Food processors and exporters are required to buy the certificates to cover the wheat they process or export at prices set by the Secretary of Agriculture.

In order to provide the increase to wheat farmers' income, the value of the domestic certificate must be increased to \$2.50 a bushel, up 50 cents over 1964. This would set price supports at or near 100-percent parity on domestic use wheat. This increase will justify a 1-cent—seven-tenths of 1 percent—increase in the price of a loaf of bread. The proposed legislation intends reducing the cost of farm commodity programs to the Government by taxing a basic food commodity. I do not believe that such a proposal is in the national interest.

Shifting part of the Government's farm costs to the consumer is not a better plan because the greatest consumers of bread and wheat products are low-income families. There are millions in this classification—there were 15 million children under age 18 counted as poor in 1963—"Counting the Poor: Another Look at the Poverty Profile," by Moller Orshansky. Social Security Bulletin, January 1965—many, many aged persons with inadequate fixed incomes; nonwhite families who suffer a poverty risk three times as great as white families; and even white families—7 out of 10 poor families are white.

Despite the fact that the American economy produces the highest level of living for its people in any economy in the world, low incomes still prevent millions of families from obtaining nutritious and attractive diets. It is for these people that I am so greatly concerned over the proposed new method of financing wheat price supports. These low-income families cannot fail to be adversely affected by taxing so basic a food as bread, which is essential for helping fill many small stomachs in large families where the father's income is marginal or where he is unemployed. This new policy is in conflict with the Government's own national program against poverty. Under the provisions of this bill, wheat processors and users of wheat products are affected: the bread bakers, the macaroni and spaghetti manufacturers, the cookie and cracker manufacturers and the cereal manufacturers. And, in addition, hundreds of food items found in grocery stores will be affected by this tax in terms of higher ingredient costs for flour.

Moreover, it is believed that if this is permitted in one or two steps, we will be presenting an opportunity for additional increases in bread prices at each step in the processing and marketing of bread.

Existing subsidies are financed out of general revenues and should continue to be paid for from general revenues. We must not demand that the urban poor finance an increase in income for the poor in our rural areas. We can not justify a policy of "robbing Peter to pay Paul."

I am therefore delighted at the reported "compromise" agreement which has been reached. It enables those of us who try to support a rounded national economic policy, to vote for yet another farm bill. We believe our city constituents want a strong rural as well as a strong urban America.

Mr. COOLEY. Mr. Chairman, may I inquire as to the time remaining?

The CHAIRMAN. The gentleman from North Carolina has 1 hour and 34 minutes remaining and the gentleman from Pennsylvania has 1 hour and 15 minutes remaining.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. In view of the information given as to time, could the gentleman tell us his plans?

Mr. COOLEY. I was going to inquire of the gentleman from Pennsylvania if we could set a time for ending the debate today?

Mr. ARENDS. The gentleman would expect to continue another hour or two?

Mr. COOLEY. I personally would like to. It is up to the House.

Mr. ARENDS. I had understood there would be an effort to finish general debate today.

Mr. COOLEY. I should like very much to do so.

Mr. DAGUE. I have requests for 35 or 40 minutes, at the outside.

Mr. COOLEY. There is a cotton section which I shall discuss now, and a wheat section. Perhaps we can finish in 35 minutes on each side.

Mr. Chairman, I yield myself 5 minutes, and I would like the gentleman from Pennsylvania [Mr. DAGUE] to consider that perhaps we can limit general debate to 40 minutes on each side and finish it up tonight. Maybe we can have an understanding on it.

The CHAIRMAN. The Chair would like to advise the gentleman that the gentleman from North Carolina is in charge of the time on his side and the gentleman from Pennsylvania is in charge of the time on his side. The gentleman from North Carolina now has been recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman and Members of the Committee, I think that the House has been very patient in hearing this debate. I believe it is in the interests of all of us to try to shorten the further general debate, because there will be ample time under the 5-minute rule on tomorrow.

As I explained, this bill has seven sec-

tions and each section has been considered separately by subcommittees. All the sections were written in the subcommittees except for the cotton section, which was developed in the full committee, over which I presided. So I should now like to take a few minutes to discuss the cotton section. I do not know anybody here who is actively opposing this section of the bill.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. GATHINGS. I would like to say to the gentleman that I am present and I am opposed to the cotton section. I opposed it in the committee and I oppose it today.

Mr. COOLEY. I did not see you sitting back there. I did not know you were here.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. ABERNETHY. I would like to say that I am here and I also oppose it.

Mr. COOLEY. That is two.

Mr. JONES of Missouri. Mr. Chairman, would the gentleman from North Carolina yield to me?

Mr. COOLEY. I yield to the gentleman.

Mr. JONES of Missouri. As the chairman will agree, we perfected a cotton section in this bill before it came out of committee and then in a few night sessions it seems a lot of amendments were agreed to that some of us knew nothing about. We saw them for the first time today.

Mr. COOLEY. I might say there have not been any night sessions, but there have been a lot of daytime sessions.

Mr. JONES of Missouri. Anyhow, I did not know about these amendments until today. If all of these amendments you propose to offer to this bill, which nullify everything we did in the committee when we started toward a solution of this problem, are going to be accepted, and if these amendments which you propose to offer or someone will offer to this bill are accepted, you will actually have a worse cotton program which will cost more money and put us back many years than we had before. Before we leave this today I would like to have some time to explain why the amendments will do that.

Mr. COOLEY. I am sure the gentleman will have some time.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield briefly?

Mr. COOLEY. I yield to the gentleman from California.

Mr. TEAGUE of California. I must state that I voted for the cotton section in committee, but the changes I understand are now contemplated will cause me to change my position on the cotton section of the bill.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. MAHON. I recognize that often silence is golden, but in view of the remarks of the gentleman from North Carolina, the chairman of the committee, I think I must say in fairness that I have grave doubts about the cotton provisions of this bill and some concern about other portions of it. I realize your committee has worked hard and long in undertaking to perform an almost impossible task, but before the bill is concluded I, along with many others I am sure, would like to have a chance to say a word with respect to the provisions of this bill. If we proceed under the 5-minute rule tomorrow and are rather liberal on that, I certainly would have no desire to press for recognition at the moment.

Mr. COOLEY. If the gentleman will permit me to interrupt him, he is an experienced Parliamentarian and a very distinguished Member of this House, and a man who has always been intensely interested in the welfare of agriculture. Certainly it would not be my purpose in any way to restrict or to put a limitation on time. I say the same to the distinguished gentleman from Missouri [Mr. Jones], who serves with great ability and distinction on our Committee on Agriculture. But these gentlemen know and I know that these general debates can go on here and wear us all out.

When we come to the 5-minute rule, there will be amendments offered. I am going to offer the wheat amendment and perhaps my colleague will offer an amendment and his colleague from Texas [Mr. Poage], will offer these cotton amendments. Then we can discuss them at great length.

So, let me continue here and finish what I have to say about the cotton program.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BELCHER. In view of the fact that so many Members have arisen to say that they were against the bill, should not the Chairman ask if there is anybody in the Chamber who is for the bill?

Mr. COOLEY. I might propound that question, but only six said they were against it, so I shall leave it where it is.

Now, Mr. Chairman, going back to the cotton program which is now under consideration, and was under consideration before we passed the bill which is now in operation, the cotton industry in this country was laboring under an intolerable burden of 8½ cents a pound differential between what our American mills had to pay for cotton and what the mills in Osaka, Japan or Bremen, Germany, or Liverpool or other places in the world had to pay. Every other country could buy cotton from us cheaper than could our own mills, many of which are located right in the cottonfields, in the Carolinas and in other places.

Under that inequity, they labored and finally exhausted every remedy provided by law. They went to the Tariff Commission on two different occasions, once under a Republican administration and once under a Democratic admin-

istration. They spent thousands and thousands of dollars in litigation only to come out the loser. They went to the Emergency Planning Board with the same result; they lost. They had no place to come for relief then except the Congress. We heard them and we brought out that bill and I think it has served well.

Mr. JONAS. Mr. Chairman, before the gentleman leaves that point, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JONAS. I think the gentleman ought to make it clear also that not only can foreign competitors buy our cotton cheaper than can our own mills, but also there is an embargo on import. Our local domestic textile industries cannot import the cheap cotton that is grown abroad.

Mr. COOLEY. And the thing about it is that some of the foreign countries were flooding our markets with cheaply made cotton goods and taking our markets away from us.

Mr. JONAS. But our mills could not import the cheap cotton because of the law restricting imports.

Mr. COOLEY. That is correct. We said at the time that the bill would do certain things. We said that it would revitalize the textile industry in this country. That it has done. Since we passed this bill, the textile industry has spent over a billion dollars in new machinery and in expansion programs. They have increased workers' salaries and wages on 3 different occasions, I believe. They have increased the consumption of cotton by almost 1 million bales. All because of this bill that was passed. Of course, it has been an expensive program but this is a very great industry. It is about a multibillion-dollar industry. I have a great and vital interest in the problems and in the cotton industry, not only because cotton is an important crop in North Carolina, but because we have more textile mills in North Carolina than has any other State in the Union. About 240,000 breadwinners work in the textile mills. They are now working around the clock, three shifts a day in each mill with which I am familiar.

Of course, the consumer has not yet received the benefit that we hoped the consumer would receive because, unfortunately the manufacturer—or, fortunately—the manufacturer has no control over the price at the retail counter. But they have assured us that in a short time the consumer will receive great benefits under this bill. The consumer has already received some benefit. Some of these nationally known, nationally famous shirt manufacturers have reduced the cost of the manufactured shirt which, of course, contains a small amount of cotton. But without this program, the industry would be absolutely prostrate, it would be paralyzed. The industry would be worse off than they were when we started out to help them 2 years ago.

Mr. Chairman, this industry is too vital and too important for us to stand idly by and permit it to be destroyed, as it was being destroyed.

Mr. Chairman, one manufacturer in

North Carolina told me that this would be the case. He picked up a ball of yarn and he said, "Up to this point we can import this yarn from Portugal or Pakistan or from many other places in the world and bring it back here and I could fire 12,000 workers, but I do not want to do it. I want to stay in the cotton business, as my family has been in the cotton business for generations."

So, he has expanded his plant and he has spent hundreds of thousands of dollars—I believe \$6 million on this one plant which I have in mind.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 additional minutes.

The CHAIRMAN. The gentleman is recognized for 2 additional minutes.

Mr. COOLEY. The workers are working and they are happy. I do not know of anyone who understands this bill who could oppose its passage.

Mr. Chairman, I do understand that there are some differences and that there will be some amendments offered. I am going to offer some amendments myself. I did not like the cotton bill when it came out of the committee but, after all, I am just 1 man of a 35-man committee and I know I cannot always have my way. The bill did not suit me any more than it suits some of the other Members. Through these amendments, I believe, it will be made into a good bill.

Mr. LENNON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. LENNON. I want to commend the distinguished chairman of the House Agriculture Committee because in my considered judgment, more than any other man in Congress, you are responsible for the one-price cotton legislation that was passed last April, a year ago.

Did I understand the gentleman to say just a few seconds ago that the consumption of cotton in the domestic mills increased by 1 million bales in the calendar year 1964?

Mr. COOLEY. I said approximately 1 million bales.

Mr. LENNON. If the gentleman will yield further, that is my understanding also, that it did increase by approximately 1 million bales, which is definite proof in my opinion that the one-price cotton bill that was passed here last April a year ago was essential to the textile industry.

One other thing, if I may ask the gentleman, I also understand that our exports during last year decreased by 1 million bales. If that is true, we cotton growers are not making too much progress. I wonder what accounted for this situation?

Mr. COOLEY. I am not sure about the accuracy of that statement. Perhaps our exports did decrease in cotton but our overall exports last year were at an alltime high.

Mr. LENNON. If the gentleman will yield further, I read it and let me say to the gentleman that I am advised the

reason that the cotton exports decreased by 1 million bales was because the Secretary of Agriculture pegged the price, and immediately Mexico, Brazil, Argentina, and a number of other great cotton producing countries, sold their cotton on the world market at anywhere from one-half cent to a cent and a half less than our price.

Mr. COOLEY. I might say that I shall certainly take into consideration the gentleman's observation and I shall discuss it with the Secretary and his associates in the Department. But in that connection the gentleman will notice in the bill that the cotton loan for the first year has been fixed at 21 cents a pound, and we did that because we were unable to determine quickly and accurately the correct world price of cotton.

So we said for the year 1966 the loan would be 21 cents and to that will be added the figure of 9 cents to the producers. So the farmer will be assured of 30 cents a pound. That will continue for the life of this bill, which is 4 years.

Mr. LENNON. Will the gentleman permit me to refer to title IV, the so-called cotton title. The gentleman is the author of H.R. 9414, the so-called cotton provision which was subsequently substituted for H.R. 9715, which subsequently became title IV of H.R. 9811. I would like to make it crystal clear to the chairman of this distinguished committee and to all of the other members of the committee that I would much rather have the original bill introduced by the chairman of this committee, H.R. 9414, substituted in its entirety for title IV of the omnibus bill, H.R. 9811. But I understand that is an impractical situation because of the realities of politics.

So, Mr. Chairman, I want to commend the chairman for his initiative and I say again that the gentleman is responsible in my judgment in securing the amendments that will be offered here by the distinguished gentleman from Texas [Mr. POAGE].

It is not all we from the Southeastern States want, it is not all we are entitled to, but under the circumstances those of us in the Southeastern States can in conscience vote for this bill.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Louisiana.

Mr. WILLIS. I would like to ask a couple of questions on the subject that the gentleman just alluded to.

I notice that the cotton section of the bill reads that price supports shall be made available for the years 1966, 1967, 1968, and 1969. So this is a 4-year program?

Mr. COOLEY. That is correct.

Mr. WILLIS. Then on page 29 of the report it states that the bill would provide loans at 90 percent of the estimated average world market price, which for 1966 is set at 21 cents per pound. Then it goes on to say there will be payments, including price supports, at the rate of 9 cents a pound in 1966. That leads me to one or two questions. Reference is made only twice to the year 1966. It seems obvious from the bill that we have these cotton problems for 1967, perhaps,

and there will be loans, or loans will be made available at 21 cents a pound, then support payments of 9 cents, which makes 30-cents-a-pound cotton.

What about the years 1967, 1968, and 1969? I ask these questions because I have been hearing considerable comment that this bill means there will be 30-cents-a-pound cotton for the year 1966, but that is not true, or not so with reference to the years 1967, 1968, and 1969.

Mr. COOLEY. It is not true as to those years the gentleman mentions. And I can assure the gentleman it was not the intention of the committee. The intention of the committee was to fix it at 9 cents per pound, and be valued in connection with the world price of cotton which we fixed at 21 cents in 1966. In that time we will know what the world price of cotton is for 1966. Certainly if you are ready to believe we are advocating a program that brings the price of 21 cents only, nobody on the committee will agree to that.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. In 1966 the loan plus payment will average 30 cents a pound. In 1967, 1968 and 1969 the loan will be based upon 90 percent of the average world price.

As the chairman pointed out, we do not know what that will be, but we want to keep this loan below the world price so that it will not become a place into which all cotton will move. On the other hand we want the loan to be something to enable farmers to get money they need, and this is in keeping with what every one of those who have criticized the program, including the American Farm Bureau, said they wanted all these years. It is keeping the loan at a low level rather than putting it so high as to become the market.

Mr. WILLIS. Mr. Chairman, will the gentleman yield for one further question?

Mr. COOLEY. Certainly, I yield to the distinguished gentleman from Louisiana.

Mr. WILLIS. The gentleman in his short statement started to comment on the total price for the years 1967, 1968, 1969 and mentioned that there would be a support price of 90 percent of the average world price. But would not the 9-cent payment obtain in those 3 years?

Mr. POAGE. Yes, we were assured that the 9-cent payment would obtain for every 1-of the 4 years for which the bill exists.

Mr. WILLIS. For the year 1966 the starting point is 21 cents.

Mr. POAGE. That is right.

Mr. WILLIS. What is the world market price?

Mr. POAGE. At the present time it is between 23 cents and 24 cents. We do not know and we hope it will never come down to 21 cents. We hope it will never go below 23 cents and if it does not get below 23 cents, you will have the 21-cent loan again in 1967. You will have 90 percent of the average price and that will be approximately 21 cents and you will have the same 9-cent payment. The

thing that varies is the loan and, unfortunately, I think we do not have in this bill a variable payment that would move up and down as the loan moves up and down as we have in the wool bill. If the loan goes up to 22 cents and it could very well do it.

Mr. WILLIS. Plus the 9 cents?

Mr. POAGE. You would still get enough payment to bring 30 cents.

Mr. WILLIS. Let us get that clear because there is a lot of talk about this.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 1 more minute and trust that we can conclude this discussion, and I hope my colleagues will take the matter of time into consideration.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. ABERNETHY. I would like to make this one simple observation. The 9-cent payment is applicable only to the year 1966. The price for 1966 as I understand the bill, that is the return to the farmer, is 30 cents a pound but after 1966 nobody in this House can tell the gentleman from Louisiana what the price will be because that would depend on what the Secretary determined and what the Secretary sets.

Mr. WILLIS. We can tell what the price will be if we follow this procedure.

Mr. COOLEY. The gentleman should read the bill and the report.

Mr. WILLIS. The gentleman and ranking Member both say that the 9-cent payment will obtain for those 4 years. Well if there is any doubt about it, would the gentleman agree to an amendment to that effect to make it specific for the years 1967, 1968, and 1969.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 more minutes.

If the gentleman would just read the report or talk to counsel sitting at the desk, you will know that this is not a 21-cent cotton bill.

Mr. ABERNETHY. I did not say that.

Mr. COOLEY. You indicated that after the first year the Secretary would have the farmer in his hands and could fix any price that he wanted to.

Mr. ABERNETHY. I said that the return to the farmer is flexible depending upon what the Secretary fixed.

Mr. COOLEY. That is what he determines the world market to be.

Mr. ABERNETHY. I am not speaking of the loan price, Mr. Chairman, I am speaking about the total return to the farmers in 1967, 1968, and 1969.

Mr. COOLEY. All right, you know the certificate does not fluctuate in value—that is fixed at 9 cents.

Mr. ABERNETHY. I would tell my chairman, if we would legislate on the basis of the report that is one thing, but I thought the bill we are considering would carry the language of the law.

Mr. COOLEY. You understand what you are talking about and the gentleman should not take my time for me to explain it to him.

Mr. ABERNETHY. In all deference to my chairman, I understand it.

Mr. COOLEY. Let me ask you—is the gentleman suggesting to this House that this is a 21-cent-cotton bill?

Mr. ABERNETHY. I am saying that it is 21 cents plus what the Secretary decides and fixes.

Mr. COOLEY. No, sir; it is 21 cents plus 9 cents for the year 1966.

Mr. ABERNETHY. Would the chairman point out to me the language in the bill where he would have to pay 9 cents a pound for 1965 and 1966 and 1967?

Mr. COOLEY. Yes—look at the bill, it is right there in front of you on your desk.

Mr. ABERNETHY. I am looking at it. I have already looked at it.

Mr. WILLIS. Mr. Chairman, if the language is not clear enough, would the gentleman accept an amendment to that effect to clear it up?

Mr. COOLEY. It is clear and he knows it is clear—it is in the bill—read the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, I believe that the colloquy with the gentleman from Louisiana was most in order. I wish the gentleman from Louisiana would not leave the Chamber, though. I appreciate the fact that he raised the question as to exactly what the blend price would be.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I just wanted to say this, however. I yield to the gentleman from Louisiana.

Mr. WILLIS. In asking these questions, I am neither an opponent nor a proponent of the bill. I want to know what I am asked to vote for. I want to understand it.

Mr. GATHINGS. The gentleman will have to take into account that there is going to be a mandatory cut in acreage before they will be able to realize that 31 cents. There will be at least a 15-percent mandatory cut, and there will be a further cut of between 15 and 35 percent of the present acreage.

Mr. WILLIS. Will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Louisiana.

Mr. WILLIS. We will be talking about acreage after a while.

Mr. GATHINGS. What are they going to do?

Mr. WILLIS. Does the gentleman agree with the chairman, or with the gentleman from Mississippi? I am not a member of the committee.

Mr. GATHINGS. I was trying to help the gentleman out and to give a little additional word. That is this: There is going to be a mandatory cut of 15 percent. What are we going to do with that 15 percent of land that is going to be taken out of cultivation? It cannot be put into anything except guar, castor beans, mustard seed, sun flower, safflower, and flax or something like that. What are the farmers going to do with this land that had formerly been planted to cot-

ton? What are the people of the community who are engaged in the business of growing, processing, ginning, or supplying fertilizers, insecticides, seed, or financing in the areas where cotton is grown going to do when such severe cut-backs in acreage takes effect if this bill becomes law.

Mr. WILLIS. I am not advocating the bill. I am talking about the price only. I wish the gentleman would address himself to the pure arithmetic of cents per pound.

Mr. GATHINGS. I had in mind commenting on other phases of the legislation.

Mr. WILLIS. Does the gentleman agree with the chairman, or with others who contend otherwise?

Mr. GATHINGS. I will support the gentleman's amendment, to make it sure and certain.

Mr. WILLIS. I did not say I would offer an amendment.

Mr. GATHINGS. But I ask, what are we in the cotton areas going to do under the 15-percent mandatory provision and the authority to increase the acreage reduction to as much as 35 percent of the allotments for cotton?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the Chairman.

Mr. COOLEY. I said that if it is not clear we will make it crystal clear that it is our purpose to have a fixed certificate of 9 cents a pound for 4 years.

Mr. GATHINGS. There will be a mandatory reduction, if the Cooley bill is passed, of 15 percent at least?

Mr. COOLEY. There is no question about it.

Mr. GATHINGS. I want to make that clear.

Mr. COOLEY. It is clear.

Mr. GATHINGS. I want to make this point while the chairman of this committee is on his feet. Will the chairman place in the RECORD today, at the close of this debate, every one of the amendments he proposes to offer to the cotton title of this bill?

Mr. COOLEY. I propose to offer only one amendment.

Mr. GATHINGS. We want to know what the gentleman is going to offer. Many of us who are interested in cotton were not at that secret session at 5 o'clock yesterday afternoon when these amendments were agreed to. We would like to know what you did agree to.

Mr. COOLEY. They are here on the table.

Mr. GATHINGS. If they are on the table, will the gentleman put them in the RECORD so that we will have them overnight and so that we will know what was done behind the closed doors after 5 o'clock yesterday?

Mr. COOLEY. You were not invited.

Mr. GATHINGS. I was not invited.

Mr. COOLEY. Because we knew your views to start with.

Mr. GATHINGS. The gentleman is right. I oppose your cotton bill—I hope that the chairman will put the amendments that are to be offered tomorrow or Thursday in the RECORD so that every-

one can take a look at them. Will you not do that?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Texas.

Mr. MAHON. I believe it most important, Mr. Chairman, that we make the record straight. This good man and fellow colleague here, from Louisiana, was seeking information which he did not get. Now, the question was, what will be the loan in 1967, 1968, and 1969? There is nothing in this bill that says what the loan will be.

Mr. GATHINGS. I want to say to the gentleman that I cannot yield further for the reason that this is not a Gathings' bill. I do not subscribe to it. I do not have my name on it. I have nothing to do with it. I am against it.

I am going to vote against the overall bill because of the the cotton section or title. The author of the bill, our chairman, Mr. COOLEY, ought to answer the gentleman's question in order that the meaning is clear and that legislature history can be made. The information you seek is most pertinent.

I do hope that the gentleman from Louisiana will get his amendment agreed to. I believe it is a good amendment. I believe the chairman said that he would agree to it.

But I want time, Mr. Chairman, to discuss the bill. I only have 5 minutes.

What I want to talk about is the type of a cotton bill we have before us.

I am opposed to this legislation for many reasons. In the first place, it sets a terribly heavy cut in acreage, from 15 to 35 percent. It will knock out the release and reapportionment provision. It will kill it for all useful purposes whatsoever.

Another thing is that it will provide that the payments shall be made on the difference between the price support level and what is a fair price for cotton, and that will have to come by a payment in kind or by a Treasury check. I am against these payments being made to farmers. The farmer wants to sell his cotton in the marketplace and to get his money for his cotton then and there. He does not want to have a check coming in from the Government every time he sells a bale of cotton. Payments to farmers are repugnant to their manner of belief and opinion. At least a large part of the cotton farmers abhor receiving payments in lieu of getting paid a fair price when they sell their cotton.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. Just a moment until I finish and then I will gladly yield to you. I want to get a chance to talk about something I had in mind talking about.

One of the main things I would like to discuss is this: that is the open end unlimited planting provision in this legislation. In the first place, we have on hand now 14.2 million bales of cotton. What we propose to do in this bill is to

give the farmer an opportunity to plant all his land in cotton, if he so desires, and the fence rows in cotton in 1966, 1967, 1968, and 1969 under this bill. Open end planting. Yet we are trying to cut back in our production which is a primary reason for the cotton legislation being here in the first place. They are going to let them plant all their land in cotton if they desire and they will be paid 22 to 24 cents a pound, the world price level for their cotton. It is too good a deal for so many farmers to miss. They will be able to plant an awful lot of it. The first estimate made by the Department of Agriculture officials who came before our committee were 2 million added acres would be the result of this legislation. We are trying to cut down the surplus from 14.2 million bales of cotton. The Department of Agriculture said 2 million acres would be added. They came in and revised those figures and said there would be added from 400,000 to 800,000 acres. Where would they come from? Those acres would come from the irrigated West, the areas in this country that produce at least two bales of cotton to the acre. If you were to have 1 million additional acres of that kind of land put into cotton that would mean 2 million additional bales would be grown. They are talking about cutting costs and they come in now to appease California where this provision is appealing. The chairman said before the Committee on Rules in order to get the bill out of the committee he had to appease someone in order to do it. The vote was 18 to 14. I think you are talking about the gentleman here from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I will yield to the gentleman.

Mr. HAGEN of California. I will say to the gentleman it is about time they appeased California a little bit. We have been getting the business on this cotton program for some time.

Mr. GATHINGS. The gentleman voted for the bill.

Mr. HAGEN of California. Our whole situation is that there are areas in the South—and your State is not one—where 85 percent of the cotton is grown with a Government loan.

Mr. GATHINGS. Are you in favor of open end planting? You are in favor of that provision?

Mr. HAGEN of California. Now, if you think that your farmers will grow cotton for the world price, they are entitled to do it under this provision.

Mr. GATHINGS. That is right. They can. I want to say to you that that is the most asinine proposal that has ever been presented to the House Committee on Agriculture since I have been on it. Absolutely, to say we are going to throw it wide open although we have too much cotton and it is costing too much to store it is foolhardy to say the least. Wherever you have irrigated land, you can produce 2 bales of cotton per acre or more. We do have some good cotton farmers in our part of the country, that is true, but we do not get that kind of yield per acre like the gentleman does

in California. We want to stay in business.

There is another provision in this legislation that ought to be knocked out, too. That is the title that has to do with cropland adjustment. That ought to be eliminated from the bill.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. GATHINGS. Thank you.

I want to talk just a moment or two about the cropland adjustment title.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I thought I would take 30 seconds out of your time to let you rest your voice.

My good friend refers to the fact that they appease the gentlemen from California in the Committee on Rules, but now they want to introduce an amendment tomorrow to appease you fellows. Is that correct?

Mr. GATHINGS. I want to say to the gentleman the information I get by rumor with respect to the amendments that will be proposed—and I understand they will be in the RECORD so we can see them tomorrow morning—will not touch the side or the bottom or any part of the legislation that should be put on the statute books for cotton. They are innocuous and do not affect basic policy of the bill.

They will not help us in any way to remove the defective parts of this bill, not in the least. They are meaningless. They are eyewash and they will do nothing at all to be of assistance to the people who grow cotton.

Mr. BELCHER. I am sure that the gentleman from Arkansas and the other gentleman from the South are not going to be appeased by eyewash.

Mr. GATHINGS. This is eyewash that they are going to put in the RECORD, I am sure about that.

Mr. Chairman, let us talk one moment with regard to this business of cropland adjustment. The cropland adjustment provision came out of the Subcommittee on Conservation and Credit. I happen to be on that subcommittee. That program has been estimated by some to cost some \$700 million a year. Taking an average of anywhere from 5 to 10 years that they will take this cropland out, or taking an average, say, of 7 years, at \$700 million a year, there would be \$4,900 million that would be completely thrown away, absolutely thrown away. Why do I say that? Because you are cutting back on cropland, supposedly. That is what you are supposed to do. What are you going to cut back, when you cut back on cropland? You are going to cut back on feed grains. Well, we have got a title in this bill for feed grains. That is what the purpose of the feed grains title is. What else would the legislation do? It would reduce wheat acreage. Well, we have a wheat section in this bill. You are also going to have authority given to the Secretary of Agriculture to go in and get down and work out some kind of a proposition

with the farmer to cut back on his cropland through a system of bids. The cropland adjustment title is aimed at reducing cotton acreage. The cotton title to the bill would drastically eliminate cotton acreage.

Mr. Chairman, this cotton legislation is bad legislation all the way around. There are some provisions in the overall bill I would say are good. But I hope the legislation will be recommitted to the committee for redrafting that part having to do with cotton.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from Nevada [Mr. BARING].

(Mr. BARING asked and was given permission to revise and extend his remarks.)

Mr. BARING. Mr. Chairman, the combined impact of the provisions of this bill has serious long-range implications for the cattle industry. The bill is specifically aimed at drastically reducing cotton production in the United States. Currently, the minimum national allotment is 16,200,000 acres. This vast acreage represents some of the most fertile land in the world.

As cotton shrinks in importance, those who once built their operations around this crop will be forced to develop new farming systems; inevitably, their new emphasis will be on growing more feed—plus conversion of this feed into beef, milk, pork, eggs, and broilers.

The impact on beef will be especially heavy because the Midsouth and Southeast, with low-cost forage to go with its feed grain potential and ample rainfall, would have a competitive advantage in cattle production.

Even though temporary restrictions on land diverted from cotton are included in the bill, cotton farmers in the Midsouth and Southeast would be forced to utilize the interim period to develop large acreages in Coastal Bermuda and other highly adapted pasture grasses. In addition, increased emphasis on feed grain production on land diverted from cotton would, because of its greater productivity, provide yields conservatively estimated to be at least 10 percent higher than the average.

While southwestern and western cotton farmers would be somewhat restricted in their alternatives because of lack of rainfall, implications are also serious. On southwestern cotton farms where feed grains currently are grown, they are generally produced in areas where lack of rainfall imposes sharp restrictions on yields. Irrigation could sharply increase yields—but water is limited.

As things now stand, cotton unquestionably receives preferential treatment over feed crops in the allocation of water. Given a sharp reduction in the cotton allotment, however, both land and water would be released to feed grains. Overall, the effect would be to increase the average yield of the region by an estimated 15 percent.

In the West, about three-fourths of the feed grain acreage currently grown on cotton farms is accounted for by barley, even though this crop yields about one-third less grain per acre than milo and corn. This cropping pattern is dictated

largely by the fact that milo and corn compete directly with cotton for available water supplies and labor, whereas barley is grown in the winter months and is harvested before the peak demands of the summer crops. If cotton acreage is substantially reduced and the competition for water during the summer months is correspondingly diminished, milo or corn would be substituted extensively for barley. Probably all of the acreage diverted from cotton into feed grains would be planted to milo or corn. The substitution of milo or corn for half of the barley acreage in 1963 would have raised the acreage grain yield for cotton farms in this region to an estimated 35.2 hundredweight per acre—or about 15 percent. The expected yield from cotton acreage diverted to grain would be about 2 tons per acre.

Since the production of feed grain for the cash market falls considerably short of filling the income void that would result from the loss of cotton acreage, it is logical to assume that cotton farmers would turn to commercial livestock enterprises in the expectation of realizing an additional margin from the conversion of feed into animal products.

Mr. DAGUE. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. ROBISON].

(Mr. ROBISON asked and was given permission to revise and extend his remarks.)

Mr. ROBISON. Mr. Chairman, I have been listening to this colloquy for the last 60 minutes with a great deal of interest. I have no cotton farmers in my district, but I must say to my friends on the other side of the aisle that they lost me about 59 minutes ago. And even if I had been a representative of cotton farmers they probably would have lost me about 58 minutes ago. It must be plain that confusion begets confusion, especially when a committee attempts to rewrite a bill, as apparently they have tried to do here, on the House floor. I have some further thoughts on the pending bill.

Mr. Chairman, in President Johnson's farm message to Congress this year, we find this, the opening sentence:

The bounty of the earth is the foundation of our economy.

Might I say, for the benefit of those of you from other States who tend to think of New York State as an industrial or urban State only—in which thinking you may well have been influenced by your awareness of the existence within our borders of the great city of New York and our other large, metropolitan centers—that agriculture is still, for the people of New York, too, the foundation of our economy.

I come from an area of up-State New York that is both urban and rural, with cities and rapidly expanding suburban areas, but also of beautiful river valleys and gently rolling hills dotted with thousands of farms—mostly family farms in the true sense of that term—on the success or failure of the operation of which rests, in great measure, the economy of our State.

These people—our farmers—are, with rare exception, rugged individuals, asking little other than the right to live out their lives doing what they like best, tilling the soil that they, themselves, own as did many of their fathers and grandfathers before them, producing the crops and the farm produce on the abundant harvest of which depends the continued strength of our Nation.

I know these people well and they are, literally, the "salt of the earth." I am well aware of their present struggle to succeed, too, in their chosen work, a struggle made ever more difficult with each passing year, it seems, as that vise in which they have been caught between rising production costs to them and and steady or declining farm income continues to tighten.

Many of our farm people have not succeeded in this struggle. Perhaps it was inevitable—given the scope of the technological revolution through which American agriculture has been passing. As evidence of this, note should be made of the fact that more than 20,000 farmers in New York State quit selling milk during the last decade—a continuation of a long-term trend that began in 1930.

I am further advised by the experts who serve on the faculty of our great State College of Agriculture, at Cornell University, that probably as many as 10,000 more dairy farmers will similarly withdraw during the next 5 or 10 years. There may well be a variety of causes for this continued and marked migration from our farms, or of farmers from farming, but undoubtedly the main cause has been the inability of many farmers to compete in the economic and technological revolution that has now hit the dairy industry—not unlike that which struck the poultry business a few years ago.

Whatever the real cause, I think the President was exactly right when he said, in that farm message of his:

We need to change much of our thinking on farm policy. Just as we do in other segments of our economy, we need to separate the social problems of rural America from the economic problems of commercial agriculture. We need to be concerned about both, but the answers to each may be different.

Earlier this year, it was my privilege to travel the rural areas of my district with several of the people from the College of Agriculture at Cornell. It was apparent to me, as they pointed out, that there has been a real change these past few years in dairy farming as it is carried out in the Northeast. The hard core of successful farming continues to be the family operated unit—but, to survive, that unit has had to take on, more and more, the aspects of a truly commercial operation, with increasingly larger investments in land and equipment, and with an ever greater emphasis on land management and skilled business administration.

In helping our farmers to make these kinds of adjustments, the New York State Cooperative Extension Service has played a major role, and the educational programs it has carried out have contributed greatly toward preparing our farmers to compete with those from other

States in today's sophisticated type of agriculture.

Now, as I also found out, that same Extension Service is devoting much of its time and attention toward the other side of the coin—toward helping, that is, those farmers who cannot make this adjustment in dairying or other fields to turn their land to other, more profitable uses, and to find other occupations for themselves. But there is a great deal of thinking yet to be done in this direction and, in whatever can be done to help, it is obvious that the Federal Government will have a major role to play if for no other reason than the fact that its often-misguided farm programs of the past have tended to unwisely tie the too small or inefficient farmer to the farm.

Thus, the question of appropriate steps to be taken toward wise development of our rural resources—and that term includes people—assumes an ever-greater importance, and I am sorry to see that the bill now before us—H.R. 9811—does not seem to adequately recognize that fact. In fact, it is difficult to see that H.R. 9811 proposes to do anything, really, other than to endeavor to continue to hold American agriculture in status quo for the time being, perhaps because to do anything else would require both more imagination and greater political courage than the present administration and Secretary of Agriculture seem able to summon.

I fail to see any real point in our continuing to head down this same road of Government control of production and governmental manipulation of the marketplace under the delusion that—this time somehow—this is going to work, when the road we have been following for far too long is marked with a record of nearly constant failure.

It is my desire to faithfully represent the wishes of a majority of my farmers in casting my vote on this bill. It is true—and almost tragically true in some respects—that they, themselves, are divided as to the direction we should take. Perhaps if there were not this division—which is duplicated in farming circles across the land—this Congress would have come up with some more meaningful farm legislation than a bill just holding to the status quo.

However, since I am convinced that such a better plan can still be evolved—though there is no hope of that this year unless H.R. 9811 is defeated—and since I am similarly convinced that a substantial majority of the farm people I endeavor to represent as best I can are not in favor of many of the provisions of this bill—even with its last-minute changes—I have tentatively determined that I must vote against it.

Before casting that vote, however, I would like to say a few words about the additional title that was inserted in the bill by the House committee—title I, or the so-called dairy section. I have no particular objection to this section, or to the proposal to permit the voluntary adoption of a so-called class I "dairyman's base plan" in any of the existing Federal milk-marketing areas. I have given this proposal my most careful at-

tention, and have had numerous discussions concerning it with individual dairy farmers and dairy farm groups from my area, including those who favor such a proposal and those who rather strongly oppose it.

However, as I understand the situation, it will be the dairy farmers, themselves—and not I—who will be voting for or against the establishment of such a plan. It will be they—and not I—who must decide whether or not such a plan will be of economic benefit to them and will help to stabilize their markets and enable them to get off that intolerable merry-go-round of ever-increasing production of milk just in order to survive.

When this proposal was first made, I expressed my concern over the lack of wisdom—since, in any such referendum, some far-reaching and very basic and lasting changes would be made in the operation and use of dairy farms as we have heretofore known them—in permitting what is known as “bloc voting” in that referendum. At that time, I had some rather extensive correspondence with some of the leaders of several of the dairy cooperatives in our State on this question and I doubt if I convinced them, but I succeeded in convincing myself that this was one time when each producer ought to vote individually, thus insuring that he knew what was entailed for him and his children—if they wished to follow along in farming after him—and that he was casting his own vote in favor of or against such changes, rather than having someone else make that decision for him.

When I became so convinced, I did what I could to encourage my friends on the House Committee on Agriculture to insist—if such a section was to be included in this bill—that the individual producer be entitled to vote in the necessary referendum, and I am most pleased to note that this is now provided.

Under these circumstances, since I believe that the individual dairy farmer ought to have the right to change his own marketing program if he so wishes, I would probably support this title if it were offered as separate legislation.

Those in charge of the bill, however—or perhaps it was the White House—have decided instead to adopt the omnibus approach, apparently in the expectation that they could put enough of something for everybody into one package so that those who wanted that something badly enough to ignore the rest of the package would be induced to vote for it. I do not expect that I will find myself in that category—in view of the objections that I still have to the wheat and cotton and feed grains titles—although it is still possible that further amendments will be adopted besides those now in the wind that would tend to lessen my objections. But we shall have to wait until tomorrow to see what may develop here.

Mr. DAGUE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington [Mrs. MAY].

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Chairman, I do not begin my remarks at this moment with

the traditional “I rise in support of” or “in opposition to this bill” because I doubt that any member of our committee, and I am sure no Member of the House, could clearly make such a statement because of the present conditions of this omnibus farm bill.

I might say that I am extremely glad that the distinguished gentlemen who had their colloquy on the cotton program preceded me because it comforts me to find out that there are those, whom I consider experienced, intelligent, and certainly competent in their field, who are as confused as I am.

I would like to direct my questions to that portion of the bill that has to do with wheat. We have worked many months on this bill, as our distinguished chairman has told you. We agreed on certain titles, after a great deal of debate, and pro and con, and give and take, which he has said was necessary. I supported and worked for certain titles of this bill. But, today as a Representative of one of the major wheat producing areas of our country, I certainly am just as confused as those who have been talking about cotton, as to where we are in this bill on that section.

For many weeks following the committee hearings on the farm bill, and since the committee reported the bill, we have heard speeches by the President of the United States, the Secretary of Agriculture, various farm groups like the National Grange, the National Association of Wheat Growers, and the Farmers' Union. We have heard from distinguished spokesmen from the consumer groups, all saying that this was a good section of the bill and there was no justification for the bread tax argument.

We have been hearing that this was an excellent bill for both farmers and consumers.

Mr. Chairman, for one thing I hold a letter in my hand here signed by David W. Angevine, chairman of the Wheat Consumers Committee. Mr. Angevine speaks for the consumers. I believe many of my colleagues received a copy of his letter about August 12, but in any event let me just quote from a portion of it. He says:

Under H.R. 9811, farmers will get a fair price in the marketplace, not out of the Treasury, not out of the taxpayers' pockets, as those opposed suggest, but a fair price in the marketplace.

Mr. Chairman, I also hold in my hand a letter dated July 29 and signed by Mr. Anson Horning, president of the National Association of Wheat Growers which, again, went to all Members of Congress, and he said:

Please consider these facts. That in the past 17 years the price of bread has increased every year. The average annual increase has ranged from one-tenth of a cent up to almost 1 cent. Not one of these increases during this time has benefited the farmer. The farm bill, H.R. 9811, provides increased income to the farmer through the marketplace the only one he has had in 17 years. Since 1947-49 when we look at the factors which affect the cost of a loaf of bread, the millers' share is up 100 percent; the retailers' share is up 111 percent; labor's hourly wage rate has increased 103 percent; however, the farmers' share has decreased by 8 percent. The farmer, in H.R. 9811, is finally

getting the benefit of one small increase in bread prices.

Mr. Chairman, one of the most distinguished spokesmen for the consumer, the housewife consumer, and all in America is Mrs. Esther Peterson, Special Assistant to the President for Consumer Affairs. She spoke out on this bill and favored it, saying:

The bill is designed to benefit the consumer by encouraging greater economic stability among farmers who produce wheat for market.

Mr. Chairman, there was a speech made just yesterday by our distinguished Secretary of Agriculture, Orville Freeman, before the 7th District Iowa Development Group at noon, August 16. I am just going to read to the members of the committee a portion of this speech because in it Secretary Freeman again, as in many times before, reaffirmed his support of the wheat section of the bill.

The Secretary repeated an earlier description in calling the legislative package to go before the House Tuesday “a producer-consumer bill.” While assuring consumers of continued food abundance at fair prices, the legislation will strengthen the family farm and make rural America a more effective contributor and participant in total economic growth.

He said:

Unity among food producers and consumers in advancing their common welfare will overcome the selfish interests which seek to divide them for exploitation.

He also said major baking firms are spearheading efforts to amend the bill and make farmers increasingly dependent upon tax funds for essential income gains by “raising a phony ‘bread tax’ claim and threatening to boost the retail price of bread by 2 cents a loaf.”

He went on to say it is unfortunate that the false bread tax charge has tended to overshadow basic consumer-producer-taxpayer benefits of a comprehensive and constructive food and farm bill.

Ending his speech, he said the question now demanding an answer is: Who shall determine the Nation's food and farm policies—producers and consumers and taxpayers and their Congress, or the bread trust?

That speech was made yesterday.

May I repeat, the President of the United States, the Secretary of Agriculture, outstanding consumer groups, our National Association of Wheat Growers, representing wheat producers, not to mention very distinguished farm groups like the Grange and the Farmers' Union, were for this bill before amended. But this afternoon, Mr. Chairman, we are suddenly told that some kind of secret behind-the-scenes meeting among Democratic leaders was held, and that suddenly, apparently, everybody's position has changed on this bread tax issue. Does that mean that all these people I have just quoted are now saying that they were wrong? How now, Mr. President? How now, Mr. Freeman? How now, Mrs. Peterson? How now, the leaders of the Democratic Committee? What about the wheat farmers?

Mr. COOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from North Carolina to answer if he can.

Mr. COOLEY. The gentlewoman knows how I voted in the committee, and that is as I am going to vote here tomorrow.

Mrs. MAY. We have not seen the amendment.

Mr. COOLEY. It was read this morning.

Mrs. MAY. As I said, I have not seen it. But I was speaking only of the change of those who backed the wheat section of the bill.

Mr. COOLEY. Is not the gentlewoman going to vote for my amendment tomorrow?

Mrs. MAY. Indeed, I am not. The wheat growers in the State of Washington, the wheat growers of other States were not consulted about this switch. We have had letters and wires from wheat grower associations in various counties, and from State organizations, all supporting the wheat section of the bill. But that was before the sudden switcharoo was made. How do the wheat growers feel about it now. Do they favor a \$250 million Brannon plan kind of direct subsidy?

There can be no doubt that developments over the past 24 hours have considerably changed the complexion of the wheat portion of the omnibus bill.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Iowa.

Mr. GROSS. Did those switcheroos occur in the rose garden?

Mrs. MAY. The gentleman has posed a question I am sure is in everybody's mind in America today. I do think we should give the President of the United States, the Secretary of Agriculture, and these other people a chance to tell us what part they may have played in this present changeover.

For one thing I know the wheat growers of my State and other States must be very confused over these recent events. They have asked for a wheat program that they could count on so they could make some long-range plans. In the case of the Secretary's position up until last night, my wheat growers felt that they could count on what they had been told. Now without warning, the Secretary, the administration, and the House Democratic leaders do a sudden about-face and I would just pose this question for all of you, for whatever commodity you might represent in this bill—just how do I or how does any Member of the Congress representing a rural district ask our farmers to have confidence in a program when obviously they cannot have confidence in the words or the deeds of its own leadership as this is administered.

Mr. CALLAN. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman.

Mr. CALLAN. I, for one, supported your position on the certificate plan last week. We worked hard to see if we could get votes to pass this bill. I could tell the gentlewoman if we had assur-

ances of 20 or 30 votes from her side of the aisle, I doubt if this so-called switcheroo would have ever come about.

Mrs. MAY. I would suggest the gentleman appeal to the chairman of the subcommittee. I think perhaps you should put that question to him and find out just where we stood on that. But obviously the votes have to come from those who are in control at the moment.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PURCELL] to discuss the wheat section of the pending bill. The gentleman from Texas is chairman of the wheat subcommittee.

Mr. PURCELL. Mr. Chairman, I would first say I feel more at home now during the last 30 minutes or so than I did during the first 2 hours. I thought our Committee on Agriculture had died, but I am happy to say I see some of our colleagues are as lively as ever.

First, Mr. Chairman, I would like to say it has been my privilege to serve as chairman of the Wheat Subcommittee during the last 2 years. This subcommittee began work last January on a wheat bill. I cannot be too complimentary of the people on both sides of the aisle who serve on the committee I am honored to be chairman of. I want to say publicly, I thank them for their hard work and dedication and doing a job as they see it for the farmers and the consumers of America.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman.

Mr. QUIE. I would like to say that from my experience with the gentleman from Texas there is no finer Congressman who ever walked through the doors of this Chamber. He is a great friend of mine. I have respect for everything he tries to do. We have differed at times but whenever we do differ, I know it is because of the conviction that the gentleman from Texas has that he is right. I just want to say I take my hat off to him for the great work he has done. There is no man for whom I have greater respect than the gentleman from Texas.

Mr. PURCELL. I thank my colleague for his kind words.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentlewoman.

Mrs. MAY. I would certainly like to add my compliments to those of the gentleman from Minnesota. I am certainly happy to have had the privilege of working on the House Committee on Agriculture with the gentleman from Texas. I also had the privilege of working with him on the National Commission on Food Marketing. I consider the gentleman as one of the most honest, courageous and hardworking and cooperative Members of this body and I am very proud of our association in this work over the past years.

Mr. PURCELL. I thank the gentlewoman.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman.

Mr. BELCHER. I would say as ranking minority member of the gentleman's subcommittee, I reiterate everything that my colleagues have said. The gentleman has been extremely fair. He is an objective thinker and is certainly a very fine man to work with. There have been times when we differ, but one can differ with the gentleman from Texas in an agreeable manner.

Mr. PURCELL. I thank my colleague.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the gentleman.

Mr. POAGE. Just so that it may not look as if the minority alone feels that the chairman of the wheat subcommittee has done a splendid job, as a member of the majority I would like to say that we on this side likewise feel the gentleman has done a splendid, fair and outstanding job and we are just as proud of him as you are.

Mr. PURCELL. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PURCELL. I yield to the distinguished Speaker of the House, the gentleman from Massachusetts.

Mr. McCORMACK. While our colleagues have paid these well-deserved tributes to the gentleman from Texas [Mr. PURCELL], I cannot remain in my seat if I thought the RECORD would reflect that these remarks concerning my distinguished friend and colleague were in reference to him only in his capacity as chairman of the Wheat Subcommittee of the House Committee on Agriculture. Of course, the gentleman is a great chairman as everybody has expressed. But more than that, the gentleman from Texas is one of the outstanding Members of the Congress.

Mr. PURCELL. I thank the distinguished Speaker.

Mr. Chairman, this has been an unusual and exciting year in the U.S. Congress. Working together, we have passed some of the most significant and important legislation ever seen in our country.

Better education, medical care for the aged, air and water pollution controls, scientific research projects, public works, city housing problems, crime and delinquency controls, special regional recovery programs, higher business profits and income for workers, improved transportation facilities, and legislation to benefit labor have all received special attention from this Congress.

Today we have an opportunity to work on legislation for our friends in rural America. All of the work that has gone into these other problems will not be enough if we fail to recognize the needs of our people in rural United States.

The possibility of a life of poverty is twice as likely to happen in a rural family as in a family of a city dweller. More rural families live in substandard deteriorating houses than there are in all the cities of the Nation put together.

Yet, thanks to the skill and ingenuity of American agriculture, the American consumer has been provided the best food deal in the world, only 19 cents out of each dollar of income is spent for food. Farm costs have, however, continued to grow, while farm prices have held steady or even fallen back some.

Now is the time and here is the place to start bringing farm income up to a level consistent with the economy.

Mr. Chairman, I also want to take this time to clarify, if I may, the major decisions which were made to change the portion of the bill covering one of the basic commodities of the United States and of the world—wheat. The change from the original concept of the bill is this: Originally the millers and other users of wheat for domestic purposes were to purchase certificates which would be based on the difference between the support price of \$1.25 and full parity, which is approximately \$2.50. This provision was approved by the Wheat Subcommittee and again by the full Agriculture Committee, and had the support of nearly every farm organization in this country.

In order that no one might feel he has not had explained to him enough of the details of the present wheat program, I will divert a moment from my prepared statement to state very briefly what the wheat program provides.

Farmers who participate in the program and make the required acreage reduction will be paid on approximately 45 percent of their wheat crop a 75-cent certificate. The loan price will be \$1.25. This will give a price at the present time of \$2 for the domestically used wheat.

During last year and this year there has been an export certificate of 25 cents per bushel allowed on a participating farmer's production on an additional approximately 45 percent of his wheat. Under the proposed bill the 25-cent export certificate will not be mandatory.

So really the only change between the existing law and the law we are now proposing is that the farmer will receive from the marketplace \$2.50—that is about parity—for one commodity in America.

Under the proposed amendments that will be submitted by the gentleman from North Carolina, 50 cents, or the entire increase from the 75-cent certificate to the \$1.25 certificate, will be paid out of the Treasury. This meets all of the objections I know of that have come from the so-called bread users or wheat users or whatever it is they have been called. I hope this explains satisfactorily the wheat program as we have it. The decision has now been made that the Commodity Credit Corporation will bear any portion of the price support in excess of the \$2 per bushel. Therefore, the cost to processors under the amendment would not exceed \$2 per bushel, which is the same as it was in 1964 and 1965 under this program and the same as the price was in years prior to that.

I believe that the events which led to this change are significant. As time progressed and as more consideration was given to the provisions of the wheat title of this bill it became evident that

the general public felt an increase in the price of bread at this time would be unreasonable. From many parts of the country people expressed concern that food prices were too high and could not go higher. The decision reached to take the extra cost on the U.S. Treasury is proof that the House is responsive to the concerns of the American people. This decision, however, while responding to the concerns expressed by the people, was brought about largely by the time and work and tremendous quantity of money spent by the large millers and baking corporations and certain unions making up the Wheat Users Committee. I believe that if the concern expressed by the Wheat Users Committee is as significant as they would have us believe, we can certainly rely on them to hold the line with their price and wages.

For example, I am sure that the unions which participated in the drive by the Wheat Users Committee will want to do their part in holding down the bakers' costs of production and thereby maintain the current price of bread. Certainly wage increases which would increase consumer costs will not be in order in the baking industry.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. POAGE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PURCELL. Likewise the giant bakeries and millers who make up the bread trust which fought the efforts to place the cost of this program on the marketplace where it belongs will not make any plans to increase the price of bread or other wheat products. I know the concern expressed by these industrial giants in behalf of the consumer must have been genuine and sincere. I am therefore confident that they will hold the price on wheat products down in a manner consistent with their expressed concern that higher prices will reduce consumption of wheat products, thereby injuring the farmer. I would also hope we will be able to count on the support of these unions and wheat users when the farmers come before this Congress to ask for the appropriation of \$250 million to continue this program in each of the next 4 years. I am sure we can count on them to stand shoulder to shoulder with farmers and consumers in obtaining passage of legislation which will improve farm income without increasing consumer prices. So there will not be the slightest excuse for raising the price of bread, not one-tenth of a cent and not even one-hundredth of a cent. No more need we listen day and night to the howling wind with the mournful wailing noise, "bread tax, bread tax, bread tax."

That dragon at last is dead. The hideous, sinuous, insidious, monstrous, fire-breathing serpent lies limp at our feet—its once-hot nostrils cool—all of its flame extinguished by a four-bit subsidy from the U.S. Treasury.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. DOLE].

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

Mr. DOLE. Mr. Chairman, first of all, I wish to add my commendation of the chairman of our Wheat Subcommittee for the excellent job he has done in the past and I know will do in the future. I would like to touch on a subject that we have not discussed today which is very important, and is noncontroversial in every place except in the Office of the Secretary of Agriculture. That subject is with reference to raising or increasing the Commodity Credit Corporation release price on wheat. There is much to be said about probably every section and every title of H.R. 9811. It is a very complicated bill as you have learned this afternoon, dealing with cotton, feed grains, wheat, and wool, and dairy; and then there is a section on cropland adjustment and finally a miscellaneous section dealing with boiled peanuts and other important provisions.

I would like to devote my time to the so-called resale formula because tomorrow I plan to offer an amendment to the appropriate section of the bill asking an increase in the resale formula of CCC stocks of wheat from the present 105 percent of the current support price, plus carrying charges to 115 percent of the current price, plus carrying charges. We read a lot, hear a lot, and talk a lot about farm organizations differing on farm programs. But let me say that, when it comes to the resale amendment, there is almost universal agreement among farm groups. I can say in all candor that on this particular issue, on raising the resale formula, such great farm organizations as the National Farmers' Union, the American Farm Bureau Federation, the Farmers Grain Terminal Association, the National Grain Trade Council, the National Grain and Feed Dealers' Association, the National Federation of Grain Cooperatives, and the National Association of Feed Growers, with some reservations, are in agreement that the resale formula should be increased when it comes to disposing of Commodity Credit Corporation stocks of wheat.

In our Wheat Subcommittee, the vote on such an amendment was 6 to 5. Then in the full committee, when lowered to 110 percent, the vote was 17 to 18. This indicates two things. First of all, there is wide support for this amendment; and secondly, the support is bipartisan. This is not a Democratic or a Republican proposition. I would go back to the President's message of February 4 and quote from that message, when he said:

Our objective must be for the farmer to get improved farm income out of the marketplace, with less cost to the Government.

In a subsequent paragraph, the President stated:

To do this, I am asking the Secretary of Agriculture to so utilize the Commodity Credit Corporation as to make the free market system work more effectively for the farmer. We must encourage the private segment of our economy to carry its own inventories, bought from farmers, rather than depending on the Government as a source of supply. We must urge the private sector to perform as many services as possible now performed by Government agencies.

And this is all we attempt to do by raising the resale formula.

We are trying to carry out the statement of the President in his farm message on February 4 of this year. One would think with that statement from the President there would be a great effort on the part of the Secretary of Agriculture and others charged with the administration of this program to work out some increased formula and support the amendment which will be offered. But this has not been the case, even though farm leaders, farm organizations, Republicans, and Democrats support some increase.

Mr. Chairman, I would say in all candor that there is a difference of opinion as to whether it should be 125 percent, 120 percent, or 115 percent, or 110 percent. But I know of no major farm group, with one or two exceptions, which believes there should not be some increase in the resale formula.

Mr. Chairman, section 407 of the Agricultural Act of 1949, as amended, specifies that in selling commodities for unrestricted use in the domestic market, the sales price of the Government should not be less than 105 percent of the current support price programs, reasonable carrying charges for storage, handling, and so forth included. It is clear the USDA is not required to sell for unrestricted use at the 105-percent level, and it has been pointed out by many experts that the CCC could advance with the market beyond 105 percent. But rather than do this, the CCC policy has been to sell commodity stocks at 105 percent and thus, without question, depress the market prices and literally deprive the farmer of additional income.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DAGUE. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. DOLE. I thank the gentleman from Pennsylvania.

I do not say this would automatically raise the income of every farmer who produces wheat, but it could depending on the circumstances and where the amount of increase. It can do four things. First it could raise the net returns to wheat producers by approximately 10 cents per bushel on an average, at 115 percent.

It could mean substantial savings to the Government by greatly reducing transportation costs and elevator in-and-out charges which now accrue as a result of selling farm products with one hand and buying equivalent amounts through the storage loan program.

Three, the farmer would receive his increased income in the marketplace and not through a direct Government payment. This would result in less cost to the Treasury.

Fourth, tighter restrictions on CCC sales would give farmer-owned cooperatives and the private grain trade an increased opportunity to carry out their historic function as the buyers and merchandisers of the output from American farms. There would be added incentive for all segments of the trade to carry

larger inventories of farm commodities, thereby reducing the Government's enormous storage costs.

Mr. Chairman, there have been a number of arguments advanced in opposition to raising the resale formula, and one often used is that any increase in the resale formula would, in effect, freeze the present surplus stocks of the Commodity Credit Corporation. It is well to again emphasize that the amendment to be proposed will apply only to sales for unrestricted use, and the Commodity Credit Corporation would still be selling grain, redeeming PIK certificates for exports at the market price. Grain donated or barter grain would also come out of the Commodity Credit Corporation stocks without prohibition and then, in addition, deteriorated grain can be disposed of by the Commodity Credit Corporation notwithstanding any provision of section 407. At the present time Commodity Credit Corporation is supplying about 35 percent of all wheat moving abroad, and there is no reason to believe that this will change significantly in the years ahead.

Mr. Chairman, one of the most overlooked items in the current controversy over increase in the price at which the Commodity Credit Corporation may sell wheat for unrestricted use is the fact that for years now this agency has been able to unload vast amounts for export under a multiplicity of programs exempt from this provision of law on which it has the exclusive to be the sole supplier.

These programs include barter, donations abroad, payment in kind, and, optionally, sales financed by CCC's credit program at interest rates varying from 4.5 to 5 percent.

Since the 1959-60 marketing year, analysis of official USDA data discloses that the Commodity Credit Corporation has annually supplied exclusively from its stocks 35 percent of the average annual exports of wheat—grain only.

This should take care of any argument that we are in effect locking up CCC stocks, and adding additional costs to the Government. This is not the case.

I would point out again that this amendment, whether it be 115, 120, 125 or perhaps as low as 110, has wide support among farm leaders, and in all honesty, the only apparent reason it is not supported by the Secretary is because he can use the low price to force farmers into what is designated a voluntary program. Now when over half the benefits in the wheat program come from Government or other payments, it is very unlikely that raising the resale formula by 5 or 10 percent would result in any less program compliance. Anyone who says this just does not understand the program. In all earnestness I trust that tomorrow when the amendment is offered it will have broad bipartisan support.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Ohio.

Mr. LATTA. When the Secretary of Agriculture was before our committee, he admitted they were using this 105-per-

cent parity to enforce compliance with the program.

Mr. DOLE. Yes. I believe it was on April 6 of this year when he was before the House committee, and stated the purpose of keeping the formula at 105 percent was to get program compliance.

Mr. LATTA. Will the gentleman agree that is not the real purpose of that section when it was enacted by the Congress?

Mr. DOLE. Yes. When price supports were at \$1.80, or higher, 105 percent worked fairly well. With supports at \$1.25 per bushel we have a different picture. Section 407 simply needs to be updated and the amendment proposed would accomplish this.

The amendment, I might add, has the support of every Member of the Kansas delegation, of Members in the North and South Dakota delegations, and many other Members on both sides of the aisle.

(Mr. TUNNEY asked and was given permission to extend his remarks at this point in the Record.)

Mr. TUNNEY. Mr. Chairman, I rise in support of the open end clause in the cotton bill. I believe that clause would extend to domestic cotton producers many of the advantages now enjoyed by their foreign competitors. In my own district in California cotton has been produced since the turn of the century when irrigation water became available to the farmers in that desert area. Only during the war years of the forties when the USDA War Board requested that such war crops as guayule, medicinal herbs, flax, sugar, and even poppies for opium be substituted for cotton did farmers in my district fail to harvest cotton crops. During the Korean conflict those same farmers found it necessary to adjust their planting rotation a second time. And this time cotton was included in the list of needed crops. In 2 years' time, we had an increase in the planting of cotton that put 120,000 additional acres into cotton cultivation. In 1953, however, when cotton allotments were reinstated my farmers received a real jolt. Their cotton allotment was cut back to less than 20,000 acres.

The irony of this situation lies in the fact that while my farmers are prevented by law from planting the cotton so in demand by domestic and foreign mills, just across the border from Imperial County the Mexican farmer has been steadily increasing his cotton production. That increase has been so tremendous in Mexico's Mexicali and San Luis Valleys that the city of Mexicali has grown in 20 years from a small community populated by a few thousand people to a city populated by more than 250,000 people.

The cotton economy of our neighbor to the south is now so firmly established that a 150-mile-long highway was built by the Mexican Government to accommodate the cotton growers there. That highway runs through deserts and over mountains to Ensenada, on the west coast of Baja California. There in the last 4 years a big harbor has been established

solely for the exportation of the cotton, grown so freely and profitably across the border from southern California.

For many years now the United States has, in effect, been protecting foreign cottongrowers by holding a price umbrella over foreign production. In addition we have been eager to share technical know-how necessary for the production of irrigated quality cotton—the cotton so in demand because of its spinability. The ingenuity and knowledge of some of the young farmers from my district made it possible for Guatemala to increase its cotton production from 90,000 to over 250,000 bales a year. That increase took place in just 5 years.

If the open end clause is retained in the cotton bill, U.S. farmers will be able to take advantage of their own know-how without having to leave the country to do so.

That clause would allow cottongrowers to produce more quality cotton. Because mills are using a blending process in yarn manufacturing, an increase in available high-grade cotton would mean that more low grade could be spun.

Certain areas of the country can sell all the cotton they produce. The reason for this is that their cotton has good breaking strength, top character, good color, and desirable staple length.

Other regions of the country can sell on the open market only 20 percent of the cotton they produce. The cause is, of course, poor quality of product. As a result, mills in those very regions are willing to pay high freight rates on cotton shipped from the Mississippi Valley and the Far West while local cotton is bought up and permanently warehoused by the Federal Government.

There must be an end to the constant increase in Government stockpiling. The Commodity Credit Corporation now has over 14 million bales in storage, more than 1 year's requirement for our domestic needs.

No longer does the cotton fiber command the absolute and unique position it once held. Manmade fibers are seriously breaking into the market. More quality cotton must be grown if the industry is to survive.

Cotton must be grown, spun, woven, finished, and made into various consumer items, varying from high fashion garments to seldom seen industrial fabrics. Cotton is one of the Nation's most valuable agricultural commodities, and its value is related directly to its ability to measure up to very exacting manufacturing requirements.

We must enable those farmers who can produce cotton efficiently to do so. It will in the long run save the cotton industry and guarantee to the consumer high quality merchandise.

It should be noted that those who elect to grow cotton under the open end clause cannot participate in the loan or subsidy program.

This is in the highest tradition of free enterprise. It allows the farmer to go out on his own and produce for the market. If he is efficient and his selling price is good, he makes a profit. If he cannot sell for a profit, he suffers financial loss and cuts future production.

At least he has had the right to make his own production decisions.

(Mr. CALLAN (at the request of Mr. POAGE) was given permission to extend his remarks at this point in the RECORD.)

Mr. CALLAN. Mr. Chairman, in the course of this debate you have and will hear so many statistics, so many conflicting statements, that I would not try to further confuse the issue with more of the same. As a member of the Committee on Agriculture, however, I want to try to impress on you the effects of this legislation. Extensive hearings were held, all aspects of the bill were thoroughly discussed, and every effort was made to write the best possible farm bill.

H.R. 9811 will accomplish some specific goals which I think we can all agree on: First, farm income will improve; second, farm surpluses will be further reduced; and, third, this Nation will be assured an ample supply of food, not only at reasonable prices, but at bargain prices.

I am completely convinced that this Government could, and should, spend more money in the agricultural sector. I am convinced that it would pay off in jobs and in greater economic growth all across the Nation. It would be good for rural as well as urban America, but I am also realistic. American agriculture has not done a good job in public relations. I suspect that the farmer has been too busy producing food and fiber and neglecting the important business of influencing public opinion. The recent controversy over the so-called certificate plan, points out vividly what a well-organized and well-financed lobby can do.

I am sure I speak for American agriculture when I say that the farmers of the country want the American consumer to be able to purchase their food products at reasonable prices; that they want their food supplies to be in abundance, but that they must now insist that they have equity in the marketplace and that they cannot continue to be left out in a prosperous and expanding American economy as they have been in the past years.

By producing more and better food through use of improved techniques and better equipment—equipment built by industry across the country—American agriculture has done its part in contributing to the expanding economy. It has not only done its part, it has subsidized the rest of the country by not charging as high a price for its products as it should. In relation to income, the American consumer has been paying less and less of his income for food contrary to the experience of the rest of the world. Eighteen percent of the income of the American public goes for food, while the figure is 30 percent in many countries and runs up to 50 percent in Russia.

When those of you who represent areas that produce steel, petroleum, fertilizer, building materials, automobiles, trucks, and farm equipment support farm legislation, you are supporting jobs and increased employment opportunities for the people of your districts.

I suggest to you today that when you vote for this farm legislation you join the effort to stem the exodus of people from rural America to urban America

and you will be voting in the best interests of our country. We in rural America do not want to compete with urban people for jobs, further congest our cities, and further complicate problems you now have. We want to remain in our own area and share in the abundance of this country and I believe that passage of this farm bill will assist us in doing just that.

The legislation that has been passed in this session of Congress proves that we in rural America have been and are willing to try to understand the problems of urban America. We now urge you to join us in supporting this bill which is vital to rural America.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. REDLIN].

Mr. REDLIN. Mr. Chairman, as a new member of the Committee on Agriculture I wish to express my appreciation for the fine manner in which the committee and subcommittee sessions were conducted. The distinguished chairman, the gentleman from North Carolina [Mr. COOLEY], and the distinguished subcommittee chairmen, the gentlemen from Texas [Mr. POAGE and Mr. PURCELL], have exhibited fairness and protected the best traditions of this democracy.

I am confident that I will be able to support H.R. 9811. The 100 percent of parity provisions and 4-year part of the wheat title are of great concern to North Dakota producers. Consumers have a right to expect a holding line.

Discussions regarding the certificate approach to fund the wheat in some features have demonstrated that the cost of the wheat is a minority item in bread cost, and normal price fluctuations have no effect on bread prices. I hope that the House will see fit to adjust the resale price of CCC wheat stocks to not less than 110 percent instead of the present 105 percent of acquisition costs. I will support such amendment permission.

The narrow margin now permitted is not realistic, and serves to deter the attraction of private capital to invest in grain investors. We need healthy commercial channels of trade, both cooperative and private. Free enterprise, cooperative and individual, and other corporations, is meant to carry the load in the movement, handling and processing of grain. An increase in CCC release price could mean substantial additional income for the farmer in the marketplace. Such resale price increase should result in less inventories in Government hands, and thus decrease Government storage costs.

Mr. Chairman, I submit that a reasonable return to agricultural producers offers the best assurance to the Nation of an adequate, stable supply of food and fiber for consumers, world markets and our own national security. H.R. 9811, the Food and Agricultural Act of 1965, would accomplish this objective.

As a member of the Agriculture Committee, I became familiar with every aspect of this legislation. While I fully subscribe to the sections on feed grains, cotton, dairy and wool, I intend to discuss wheat primarily, because of its vital

impact on the economy of my State of North Dakota.

Basically, wheat growers face the same problems as other agricultural producers. Because there are nearly 2 million of them and because they produce an homogeneous product, it is difficult—indeed, impossible—for them to tailor their production to demand. They overproduce and their prices fall.

Faced with a similar situation, a factory simply cuts back production to allow demand to catch up with supply. An individual wheatgrower, 1 of the 2 million, can respond in a similar manner, without making a dent on total supply; only if a large percentage of wheatgrowers act in concert can supply be brought into balance with demand. Instead, the natural response to falling prices for each individual producer is to increase his production, in the desperate and futile hope, that he can maintain his income by selling more units at the lower price. The paradoxical fact is that, in agriculture, falling prices spur more production rather than less, leading to a vicious circle of surplus, diminishing farm income and more surplus.

Carried to its logical conclusion, such a process will starve thousands upon thousands of producers out of existence, opening the door to price control by a small group of survivors. The loser would be the consumer, the buyer of food.

Mr. Chairman, the consumer has a large stake in preserving competition in American agriculture. On the average, American families will spend only 18.3 percent of their takehome pay for food, compared to more than 50 percent in most countries. Between 1947 and 1964, food prices rose 14 percent less than for other items on the Consumer Price Index. There is no question about it—food in the United States is a bargain.

The way to keep the American pattern of agriculture intact is to insure adequate compensation for the farmer. It is a shocking fact that the farmer today, on the average, earns about \$1.05 an hour, less even than the minimum wage and far less than the \$2.61 for industrial workers. Our farmers have fallen well behind the national prosperity pace.

We have accepted the proposition that workers are entitled to a fair, reasonable wage. In the farm program, we are only applying the same proposition to the farmer. In the wheat section, we are taking a significant step forward in asserting the right of a farmer to a 100 percent of parity return on the share of his production used for food in the United States, meaning simply that he should receive compensation reasonably related to his costs and the general level of the economy. A second major improvement would be the establishment of a 4-year program to give producers an opportunity to make intelligent long-range plans.

Mr. Chairman, without farm commodity programs, economic studies indicate that net farm income would drop in half, from \$12.5 billion annually to \$6 billion. From a basic wealth-producing industry, the depressive effects would reverberate throughout the economy.

In H.R. 9811, we are rejecting the philosophy that price collapse for grain producers must be the cost of achieving an abundant food supply. Likewise, we are rejecting artificial scarcity as a means of forcing prices up for farmers. Instead, we are taking the supply management course, utilizing a voluntary acreage diversion program, coupled with realistic price supports, to bring production into reasonable balance with our food requirements, including an adequate national reserve.

Mr. Chairman, in the past few years, we have made strides in developing such programs that have raised farm income and decreased costs. H.R. 9811 takes us another step forward, and I urge the support of my colleagues for this legislation.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REDLIN. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. I wish to say to the gentleman from North Dakota that he has made a very profound impression on the members of my delegation. I was in doubt about the wheat program. I wanted to be educated. I wanted to help the farmer. I walked with the distinguished gentleman from North Dakota, and he had converted me to his side.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. LANGEN].

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, there are those among us who would have us believe that the bill before us would do something for agriculture that 30 years of farm programs have not been able to do. This, in my judgment, it will not do. In fact, the agricultural economic experience over this period has been so well documented that when reviewed in connection with this bill, it rather indicates that the situation might well be worse at the end of the 4-year period for which the legislation will be in effect. This, of course, is barring any great economic change such as has been brought on by war years during the history of the last 50 years, a situation that all of us hope and pray will not be the case, even though clouds may be threatening on the horizon. It is ironic indeed that we should today find ourselves in a position of dealing with a farm problem that is so serious that it finds no comparison other than the conditions that prevailed in the depression days of the 1930's.

Much has already been said about the deplorable conditions that prevail today. I think it is most important that we realize what the present agricultural situation is, because it is the problem with which the legislation before us concerns itself. It has been consistently repeated around the country that farm income is down. Whether measured in terms of parity ratio—76 percent—or whether in terms of the amount of money that the farmer receives from the consumer's dollar—37 cents—all are indicative that farm income today is back at about depression-day levels. The fact that this

is true is evidenced by the very rapid increase in the farm debt. Farm mortgages and short term debt increased far out of proportion to income, which is the real proof that the farmer's economic situation is very rapidly deteriorating.

To give some idea of just how alarming the deterioration is, in 1961 farmers were indebted \$1.97 for every dollar of realized net income. The same comparison made early this year indicates that this indebtedness has grown to where it is now \$2.86 for every net income dollar, which is shocking indeed when we realize that the farmer owed only \$2.30 per income dollar in 1929, the eve of the great depression. These facts become even more alarming when we realize that less than 6 percent of U.S. farmers today actually receive a parity of income. This, of course, means that the farmer is being forced to use credit as a substitute for income. While there are those who would say that the farm real estate values have increased and so have offset some of the mounting debts, even this argument becomes fictitious when we note that the farm debt grew 23.1 percent while the value of farm real estate grew only 9.8 percent. Obviously, farm debt is increasing at a much faster pace, so the comparative balance sheet of agriculture clearly reveals that the rising real estate values have not offset losses in the farm economy.

But I want to call to your further attention some more recent figures that were released on July 28 of 1965 by the Economic Research Service, U.S. Department of Agriculture, titled "Farm Income Situation." This docket, which I hold in my hand, is a very complete and thorough document of the various phases of the agricultural economic realities, and I would recommend its study by every Member of Congress or anyone else who has a sincere interest in the future of this Nation's agriculture. Permit me to quote a few figures from this docket, and I do so because it represents the Department of Agriculture's own analysis of agriculture, which in many instances they have documented from 1910 up to and through 1964.

On page 50, we find table 2-H, which identifies the total growth in net income from farming for this entire 54-year period. It specifically identifies the total gross farm income, the total production expenses, and the total net income. These statistics reveal that in 1964 the percentage of total gross represented in net income is at 25.9 percent, with Government payments excluded. This is the lowest percentage during the entire 54-year period, and is 4.3 percent lower than it was in 1932, at the very heart of the depression years, when it was 31.2 percent. Now, it is interesting to note that when we add Government payments, which in 1964 amounted to a little more than \$2.1 billion, the percentage increases to 29.3 percent, but is still the lowest during the entire 54-year period, being 1.9 percent lower than it was in 1932, when there were no Government payments.

It is equally interesting to note that Government payments started in 1933, with a total payment of \$131 million.

In 1964 they amounted to \$2,169 million, or 16 times higher than they were in 1933. In 1960, Government payments amounted to \$693 million, or less than one-third of the 1964 figure. We find that they have increased by more than three times during the last 4 years. Yet the percentage of net income to gross income declined by 2.1 percent in this 4-year period. These facts and figures certainly do not present a success story, but rather indicate the extent to which these expenditures of Government money have been a complete failure in accomplishing the desired objective of improving the farm economy and income security to the individual farmer.

There are even more disturbing factors. On page 51 of the same document I also note that the total number of farms in 1932 was 6,687,000. In 1964 there were 3,472,000, or just a little more than half as many as in 1932. This substantially refutes the argument that reducing the number of farms provides the answer to the depressed farm income, for while we have cut the number in half since 1932, the net income has shown no improvement, and is rather worse. Were we to make the same comparison since 1960, we find that the number of farms has declined by more than 475,000 during the last 4 years, with the total farm population now being at 6.8 percent of the total national population. It is also worth noting that this 6.8 percent of our population which can be identified as farm population received only 3.8 percent of the total disposable personal income.

There is another document that I should like to call to the attention of the House. It sets forth the same dark picture most explicitly, and was compiled by the House Committee on Agriculture, revised and printed in July of 1964, and is entitled "Food Costs and Farm Prices." It very clearly and concisely presents the inequities that exist in the relationship of farm income to the cost of food to the consumers of our Nation. I shall quote only a couple of figures from this document because of their pertinence to the problem that the legislation before us is allegedly designed to improve.

You will note that in the foreword, written by the chairman of the Agriculture Committee, he states that over the past 16 years prices received by farmers have dropped by 12 percent while the prices paid by consumers for food have increased by 29 percent. He goes on further to identify that the cost of food to the American consumer is still the lowest in the world, at 18.8 percent in 1963, and has declined from 22.8 percent in 1950 primarily because of the efficiency in agriculture and the decline in prices farmers receive. And so we see that the American consumer still enjoys a most impressive bargain counter when compared to the food costs to all the rest of the world. In the United Kingdom it costs 29.5 percent of the average family's income after taxes for food; in Italy 44.7 percent; in Japan 46.9 percent; yes, and in Russia, 53 percent, while in the United States, as I indicated earlier, that cost is only at 18.8 percent.

I have called some of these facts and figures to your attention for two specific reasons. First, it serves to identify specifically the problem which confronts American agriculture that we are dealing with today as identified by the Department of Agriculture and the House Agriculture Committee. These are their figures, and their analyses of the experience and results of farm programs during the years of their history. They should alert us all as to how serious the problem is and how urgent the need for improvement. One cannot look through either of these documents without being further disturbed, because it becomes so glaringly evident that the only profitable years in agriculture have been the periods of two world wars, when farmers served the cause of the Nation so admirably in providing food and fiber. It would seem that they are most deserving of a more favorable regard and reward now.

And so the big question—Will the legislation as now presented to this House and that is presently being debated, provide the answer, the solution, or even relief to these most inequitable conditions? It is my humble opinion that it will not, and as I stated in the beginning, will probably serve so ineffectively that conditions could well be worse at the end of the 4-year period that the legislation will be in effect.

H.R. 9811 is a very comprehensive bill in that it covers the major part of our agricultural productive unit. It deals with dairy, wool, feed grains, cotton, wheat, cropland adjustment, plus some miscellaneous items relating to peanuts and tobacco and other minor regulations pertaining to agriculture. It is to be noted at the outset, however, that even though it does cover this broad field, it offers very little, if anything, by way of improvement in the net income return to individual farmers. In fact, it will do well to even hold its own. There is little or no increase in the price support structure or markets.

It should be noted at this point that the only justification for the existence of any farm program is to improve the net return to individual farmers across the Nation. It was for this purpose that the original farm programs were started, brought about because of the agricultural bankruptcy that existed throughout the Nation during the depression years of the early 1930's. The surplus problem is one that has been created by, or, probably better stated, exemplifies the failures of the farm programs over the years, in that they have failed to achieve their objective and have resulted in the accumulation of the large surpluses that are now held by the Commodity Credit Corporation.

I stated earlier that farm income was now at a lower level in many instances and by several comparisons than was the case in the 1930's. One of the main factors that has contributed to this continuous decline in farm income has been the fact that production expenses have just as consistently gone up. In fact, the production costs in 1932 were \$4,483 million, and in 1964, more than \$29 billion, or more than 6 times as high as they were in 1932. This alerts us to the fact that we

cannot possibly evaluate the results of this legislation without also giving some thought to what will happen to the costs of production during the next 4 years. If we follow the normal pattern of our economy, it becomes quite obvious that there will naturally be some increases in the production expenses. However, there are also other adverse factors which can be directly attributed to actions already taken and pending in this Congress. Let me just take a moment or two to look at a few of them.

It is commonly known that the Education and Labor Committee is about to recommend to this House an increase in the minimum wage law to the extent of 40 percent as it affects all of the workers that are now covered by the minimum wage. The bill will also add 6 million workers who are not now covered in various business enterprises, and of equal importance, it will also add some 700,000 farmworkers. This, of course, can only mean that the farmer's cost of production is bound to go up, because of the added burden of increased costs of labor created by the inclusion of farm labor, and while this involves only a part of the farm labor force, it is only a matter of time until the rest of the labor force will be included. We have seen these progressive steps having been taken in other fields over the years, and it is only a question of "When will the rest of them be included?" The farmer will be equally adversely affected by the 40-percent increase in the existing minimum wage and the inclusion of 6 million workers in business and service enterprises that are being brought under the act, many of which are located in rural areas. Whether they are implement dealers, service stations, or other shops and retail stores, they do involve items that farmers, of necessity, must buy. Therefore, it becomes perfectly obvious that within the life of this bill, the production costs and direct expenses of farm operations are going to go up substantially, and as they do, this, of course, will bring about the very undesirable result of further reducing the net return to levels that are even lower than they are today. These actions amount to a great injustice to the farm population, because the farmer represents the only segment of our society that does not have the means by which he can increase the price of the commodity he has to sell. The businessman, undesirable as it might be, can always increase the price of the product that he offers for sale. And, so again, we see where the farmer gets the short end of the deal.

I certainly do not blame the farm population for having raised the complaints and the concerns that they have in the many hundreds of letters that have come to my office and I am sure have also been received by other Members of this House. The farmer has just cause for concern when he sees how Congress has increased salaries in every conceivable category, including the Members' own compensation, up to as much as 40 percent in the instance of minimum wage, and then he is faced with a further reduction in income, which, incidentally, is far below the minimum wage to begin

with. The very least we could do would be to provide him with a comparable increase.

The farmer has been further affected by legislation passed by this and other Congresses, and I find it almost unbelievable that we should be here today considering a bill which provides for a cropland adjustment or a land retirement program that, according to the report, should retire some 40 million acres from production during the next 5 years. It is only a matter of a few weeks ago since this Congress passed a bill to increase production on 250,000 acres at a cost of around \$800 an acre of the taxpayers' money, and now we are about to spend more of the taxpayers' money to retire cropland from production. In the meantime, the farmer is faced with additional production and more competition created, instigated and paid for by the same Government, with the same taxpayers' dollars. Is it any wonder that the farmer complains, the taxpayer complains, and the consumer complains, with this kind of mismanagement which has made them all losers?

The farmer has not only lost income, but he has also lost a great part of his freedom. The bill that is before us does not improve this situation either. I view with some alarm the fact that in reading the bill I found 120 instances where there were words to this effect: "as the Secretary determines," or "as prescribed by the Secretary," indicating the vast amount of authority that is delegated to the judgment and whims of whoever is the Secretary of Agriculture. In fact, there are so many items left to the discretion and judgment of the Secretary, that it is almost impossible to completely evaluate what many provisions of the bill will be when administratively applied. It is certainly obvious that the farmer will become more and more dependent upon the bureaucratic actions of Government for his income, and less and less dependent upon the market place. This is particularly evident in the wheat certificate program, title V of the bill.

While it is not my purpose to describe in detail the various sections of the bill, because this has already been so adequately done by the respective members of the committee, let me just make this brief reference to the wheat certificate program. By virtue of its provisions, the farmer will now receive, through price supports or the market, about \$1.25 per bushel for all of the wheat that he raises, this to be supplemented by a 75-cent wheat certificate on about 45 percent of his Government-determined normal production, and I now understand there is to be a 50-cent-per-bushel or more direct subsidy payment, depending upon the Government-determined parity price, thereby making the blend price which the farmer will receive a little more than \$1.80 per bushel. This is a ridiculous arrangement, regardless of how you may look at it. In the first place, it completely ruins anything that resembles a market price, for the market now no longer represents income to the farmer, nor does it represent cost to the miller or the purchaser. Let us look at the farmer's case first. If he has a

bin of wheat, let us say, of 1,000 bushels capacity, it now means that while the cost of production to him is the same on every bushel, 45 percent of it will be worth to him \$2.50 per bushel or more, while the other 55 percent is worth only \$1.25; and so he might well be losing money in his operation, in the production of 55 percent of the bushels that he produced. Any profits that he would receive would necessarily have to come from the other 45 percent. The miller, in turn, will now have to buy this wheat off the market or from the Commodity Credit Corporation at a farm price of somewhere near \$1.25, plus the price of the wheat certificate, for which he will have to pay the U.S. Government.

And so we see that the market price now no longer represents cost to the miller or the processor either. And what a folly this is. If we have determined that the value of this wheat is to be \$2.50 per bushel or more—and I guess we must have done so, because this is what the bill provides—then is there any reason why the miller should not pay this price on the marketplace? This is the way the American business system has been set up and operated so efficiently and respected by us as a nation in every other category during our entire history.

What a strange turn of events the past several hours have witnessed, with a complete about-face and an acceptance of a direct subsidy program. The wheat certificate program is bad enough in the first instance. To now further complicate it with a direct subsidy will not serve either the best interests of the farmer or the Government.

Does it not seem strange that the consumer can pay for everything in a 21-cent loaf of bread except the price of its principal ingredient, wheat, which now is less than 3 cents a loaf? He can pay for the labor costs, cost of the plant, equipment, wrapping, shipping, taxes, and every other expense that goes into putting that loaf of bread on the grocer's counter, but the smallest part of the overall cost and the only one that has shown little or no increase in the past several years is the only item that somehow or another he cannot pay for. There have been consistent increases in all of the other costs, whether they be the cost of equipment or labor, which is about to go up again by virtue of an increase in the minimum wage to which I have referred before, but I hear no one complain about any of these factors. It is only the cost of wheat that becomes a detriment to the consumer.

This recent action probably answers better than any words could possibly do the reasons why the farmer has experienced the economic problems that he has today. He is no longer considered to be on a par with any of the rest of our great industrial system, and so must be the recipient of this most unusual treatment. Once this action has been taken, it is only a matter of a short time until again you will hear the great hue and cry about the enormous subsidies being paid to the farmer. Yet, as evidenced by the cost of a loaf of bread, he still produces the main ingredient at a lower price than any of

the other factors that make up the total price. During the past 16 years, the price he has received for his efforts and his contribution has dropped by 12 percent, while the increases in the other factors have contributed to a 29-percent increase in the cost to the consumer.

The only possible reason that this kind of a system should be adopted is to place the farmer in a position of having to raise food for the foreign market, or for the foreign consumer at a price that is cheaper—sometimes so cheap that he will lose money in doing it—than he does to our own American people. The net result is that both the American farmer, as well as the American consumer, become great contributors in a very hidden manner to another foreign aid program. In the meantime, the farmer is subjected to Government restrictions of every description, with acreage limitations, Government-established yields, and so forth, each of which becomes an important factor in the total gross income that he receives for this crop.

At the same time, the miller is also subjected to Government restriction and a complicated system of bookkeeping which requires him to send a part of the cost of the product he bought through the U.S. Treasury in order to get that money to the farmer. This involves added expense to both the purchaser and eventually the consumer, as well as the taxpayer, who again is also the consumer.

The free market system is further interfered with by Government because the Commodity Credit Corporation is in a position to sell its surplus stocks of wheat on the market at any time that they can receive 105 percent of the support price, plus carrying charges. This means, of course, that they are in a position to place wheat on the market, and consequently drive the price down, at any such time as demand may be such that the market would go up. This, of course, means that the program is self-defeating, as the Secretary of Agriculture has admitted, as identified in the minority views of the committee report, when he stated:

We must not yield to temptation to make prices so high that the program becomes unworkable.

In other words, if the market price goes up, then the program cannot work, and it has always been my opinion that the prime purpose of the program to begin with is one of improving the price structure. But with this kind of a mechanism, as soon as the desired price might be achieved, then the program is no longer workable, and so it becomes a question of whether the purpose is to improve prices, or make the program work and leave the farmer to suffer the consequences of continuing inadequate prices. I understand that amendments will be offered for the purpose of increasing the minimum price at which Commodity Credit can sell its stock, and this, in my humble opinion, is a necessity to both the marketplace and the farmer, if we are to achieve the objective that I have referred to so many times. It ought to be increased to at least 115 percent of the support price, or higher. The

wisdom of such an amendment is stated most convincingly in the minority views that are a part of the committee report.

There is another provision in the cotton title of the bill which greatly disturbs me, as I am sure it does farmers throughout the Nation. It is the provision which provides for the sale and lease of cotton allotments. I do not know just how or where this idea may have originated, but I do know, having sat through all of the House hearings on the very famous and notorious Estes case, that this would legalize the transactions that Mr. Estes carried on, which provided him with a transfer of some 3,000 acres of cotton allotments. If this principle is adopted and then later added to other allotment crops, as no doubt it would be, it can have only the effect of making big farmers bigger, particularly those that have sufficient financial means, and drive all of the little operators off the farm. In fact, the bill has so many provisions which will encourage the farm exodus and do away with the small farmer, that it seems specifically designed to carry out the suggestion that has been so prominently made, that we must move 2½ million farmers off the farm and into other occupations in metropolitan areas. We all know the dire consequences that will accrue to rural communities if such action is to be advocated and practiced by a Government farm program.

I have already referred to the 120 different instances in which the Secretary determines what the realities of this program may be. Let me for emphasis just cite one particular instance as it relates to the cropland adjustment title. On page 49 of the bill, item 2, under paragraph C, beginning on line 11, we read the following language:

Under such agreement, the Secretary shall make an annual adjustment payment to the producer for the period of the agreement at such rate or rates as the Secretary determines to be fair and reasonable, in consideration of the obligation undertaken by the producers. The rate or rates of annual adjustment payments, as determined hereunder, shall be increased by an amount determined by the Secretary to be appropriate in relation to the benefits to the general public with the use of the designated acreage, if the producer further agrees to permit without other compensation, access to such acreage by the general public during the agreement period, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

Here are two instances that refer to the establishment of rates of payment, seemingly with no minimum and no maximum, and consequently leaves us in a position of having no idea whatsoever of just how much money or what is involved in the implementation of these two particular provisions of that title of the bill. Add 118 more instances in which the Secretary will determine just what the actual provisions will be, and one gets some idea of just how uncertain and unspecific the legislation is, with more authority granted to the Secretary than should ever be given to any one man in government.

I could go on and cite any number of additional inadequacies of this legislation, but I think that I have identified a

sufficient quantity to make us all realize just how difficult the decision is before us, in determining whether or not this bill should become the law of the land. Now, actually, this should not be a difficult decision, because any legislation that offers as little and costs so much should surely not be enacted. However, it is the circumstances and the atmosphere that surrounds this decision that make it a most difficult matter, because it seems like again we are faced with the proposition of where you are going to have to take this or nothing—or you are going to get this whether you want it or not. I do not mind saying that I am getting just a little tired of being faced with this kind of a proposition so often, and it usually pertains to agricultural legislation. This becomes even more disturbing when we realize that this legislation is so undesirable that it has become necessary to pass other undesirable legislation in order to gain sufficient votes with which to pass this bill. Have the producers of food and fiber become so insignificant that this is the best we can do in providing for them the proper place in our economic structure?

This seems a grave injustice to me, after they have served this Nation so well, both in times of war and in peace, in providing with great proficiency a generous supply of excellent quality food under any and all, and sometimes most trying circumstances. I certainly hope that before these deliberations are over, we will have accepted a few amendments that will at least make the bill a little more acceptable and a little more responsive to the great needs of agriculture and the many great rural communities of this Nation.

(Mr. JONES of Missouri (at the request of Mr. COOLEY) was given permission to extend his remarks at this point in the RECORD.)

[Mr. JONES of Missouri addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. WHITENER].

(Mr. WHITENER asked and was given permission to revise and extend his remarks.)

Mr. WHITENER. Mr. Chairman, the bill that we are now considering is important to all of the people of our Nation. The various commodities affected by it are vital to every citizen and to our national welfare.

The time allotted to me will not permit a discussion of all sections of the bill. For that reason I have elected to address the House on the important relationship between a continuance of the one-price cotton system and our domestic economy.

The welfare of our cotton-producing economy is of concern to the hundreds of cotton farmers in my congressional district. In meeting our responsibility to those farmers we must see to it that we have a vibrant domestic textile industry. It is my considered opinion that we are required to constantly take into account both sides of the agri-business relationship if we are to preserve the

cotton-producing economy and the great textile industry.

North Carolina has more than 230,000 persons directly engaged in textile production. Allied industries which draw their support from the industry provide employment for many thousands of North Carolinians. So, the promotion of those things which keep the industry moving is a necessity if we are to have in North Carolina and the Nation the level of economic activity which we desire.

There have been many constructions placed upon the results of our one-price cotton legislation and its effect upon the Nation. Some of these constructions have not been realistic or fair because of unwarranted conclusions that many have given to the facts.

Today I would like to give my views as to the true situation in our domestic textile industry.

Some of the attacks upon the domestic textile industry in connection with the 1964 cotton program are amazing.

In the spring of 1964, a one-price system for cotton went into effect, a program under which the domestic textile mills could buy American cotton at the same price as their foreign competitors for the first time since 1956.

Since August 1964, the domestic mills have acquired cotton at 23½ cents per pound, the price at which the staple has been sold for export. Since the loan rate was 30 cents a pound, a payment of 6½ cents per pound was made to the buyer of cotton for domestic use. The buyer could be a ginner, merchant, warehouseman, or textile mill. Payments did not go to the cotton producer, since he got a support price from the Government.

The 6½-cent-a-pound domestic payment has been described as a mill subsidy. It is nothing of the kind. The 6½ cents simply enabled the manufacturer to buy his cotton at the same price it was sold for export, 23½ cents. Prior to the 1964 program, the foreign competitors of the domestic industry could buy their cotton \$42.50 a bale cheaper than the homebased manufacturer. If there is any subsidy involved in the 1964 program it is a subsidy to the producers, since the Government assured them a price of 30 cents a pound, which, incidentally, dropped to 29 cents on August 1. At the same time, the payment declined to 5.75 cents a pound.

The change in 1964 to a one-price system for cotton simply removed a grave inequity which had damaged the domestic mills and the entire American cotton industry. This action, long overdue, has been described in some papers, and, I am sorry to say, by some Members of Congress, as a mill subsidy.

The effects of the removal of the burden of two-price cotton have been constructive. The domestic consumption of American cotton in the crop year which ended on August 1 will approximate 9.1 million bales, an increase of 600,000 bales above the 1963-64 crop year. This actually represents more than a net gain of 600,000 bales, since, in all probability, the continuance of the two-price system for the 1964-65 cotton year

would have meant a decline in domestic cotton consumption over the previous year. Some experts have estimated that the one-price system for 1964 meant an increase of approximately 1.5 million bales in comparison to what it would have been under the program which allowed foreigners to buy cotton grown here at home more than \$40 a bale cheaper than our own manufacturers could obtain it.

Cotton is still the primary fiber in the textile spinning system. But, over the years, we have pursued a cotton policy which seemed deliberately designed to drive our own mills away from the staple. In April 1965, 81 percent of the textile industry's spinning hours were given to the production of cotton yarn. But in 1958, the percentage was 92. The two-price system has been a boon to manmade fibers.

Since one-price cotton, the textile industry's profit position has improved. As a result, some critics have charged profiteering, and statements have been made that the manufacturers put the payments, which equalized domestic prices with foreign prices for American cotton, in their pockets.

Let us examine these charges, which, in view of the facts, are fantastic.

The textile industry for a long period of time has been a depressed industry; its profits have lagged sharply behind the profits of other major industries.

In 1963, the industry reported profits as a percentage of sales, after taxes, at 2.3 percent. This represented a slight decline from the 1962 figure of 2.4 percent.

In 1964, the textile industry had profits of 3.1 percent and, for the first quarter of 1965, of 3.7 percent. But, in 1964, the profits of manufacturing industries were 5.2 percent. No matter the yardstick used, textile profits were no higher than 16th in the list of the 20 major manufacturing industries. The textile industry's earnings were only about 60 percent of the average.

Some of the country's big corporations, General Motors, for example, enjoyed record earnings in 1964 and are repeating them in 1965. I have heard no criticism of these industries; in fact, as I understand it, the tax cut last year and the excise tax reduction this year, had as their objectives a stimulus to business activity which would mean more employment and more tax money for the Federal Government. It would seem then that the rise in profits for the textile industry, which employs nearly 1 million men and women, would be a cause for congratulation and rejoicing. It would seem that the improvement would be hailed and that everyone who wants to further bolster the economy would be insistent on continuance of a one-price system, since undoubtedly the program which went into effect in 1964 has helped the industry a great deal.

If the textile industry had failed to expand, regardless of its improved profit position, and failed to pass along some of its earnings to its employees in the form of higher wages, there might be grounds for criticism. The facts are such, however, that, once again, I am

amazed at the attacks which have been made on the industry.

The level of investment by the industry in new plants and equipment has risen to levels under one-price cotton that are unprecedented. Last year, the textile manufacturers' outlay of capital for plants and equipment amounted to about 17 percent of their net worth, as compared to an average of 9 percent for other major industries. The mills spent around \$760 million for new plants and equipment in 1964.

The Department of Commerce estimates that new plant and capital equipment expenditures in 1965 will be close to \$1 billion, as compared to a 5-year average of only \$608 million. When net worth is taken into account, the textile industry is spending at present more for capital improvements than any other major industry in the country.

There have been three wage increases of 5 percent for textile workers because of one-price cotton. The first raise took place late in 1963 in anticipation of one-price cotton; another in the fall of 1964 after the benefits of the program became apparent; and the third raise is being completed. In the short period of 18 months, employees have received more than \$500 million through wage increases and this does not take into account fringe benefits. Many textile mills lie close to the Appalachia area where the Government is administering special programs to overcome poverty and lack of opportunity. Consequently, there is a special reason for gratification over the increase in textile wages.

Moreover, from April 1964 to April 1965, employment in the mills has risen by about 30,000 workers.

The textile industry wants to raise wages still further, but to do so, it must have adequate earnings. It is incontrovertible that one-price cotton is essential to a continuance of the recovery which has taken place since April 1964.

But the critics of the textile manufacturers still assert another reason for complaining. They contend that textile prices should have declined substantially with the reduction in price to the domestic mills under the 1964 program. The rise in mill margins in 1964 has been taken, by some, as automatic proof that the textile industry has victimized the consumer. The facts show otherwise.

The Department of Agriculture prepares monthly tabulations for 20 constructions of unfinished cotton cloth. For each of the 20 constructions, the selling price at the mill is given for the amount of cloth which can be manufactured from a pound of cotton. An examination of these constructions shows that the lightest fabrics—those with the least amount of cotton—rose between March 1964 and March 1965 while the heaviest fabrics, those with the most cotton declined. The fabrics with the lowest percentage of cotton cost and the highest percentage of labor and other costs, went up in price; where cotton costs were heaviest, and other costs relatively lower, prices tended to decline. It might also be mentioned that the Department of Agriculture's 20 constructions of un-

finished cotton cloth does not represent adequately the behavior of cotton cloth prices as a whole. Dr. M. K. Horne, Jr., chief economist of the National Cotton Council, a world authority on cotton, comments of the sample:

It is too small a sample of fabrics, and the lighter fabrics are automatically given a larger weighting in the averages, since the figures are in terms of a pound of cotton used.

In 1963, the demand for clothing lagged behind the demand for other goods. Nevertheless, clothing prices rose substantially. In 1964, the demand for clothing outstripped the demand for other goods and services but there was very little rise in clothing prices—one-sixth that of the index for all consumer prices. The lower price of raw cotton was a factor in the fact that clothing prices lagged behind the rise in other consumer prices.

Also, an inquiry into the price behavior of all cotton fabrics in 1964 indicates they did not rise but declined in the face of a very strong demand for textile products. This, evidently, was due to a lower price for cotton.

Reverting to the charge of excessive profits on the part of the textile industry since one-price cotton, the profits of apparel manufacturers rose more than the profits of textile manufacturers in 1964. Retailing profits also rose substantially. Finally, the textile companies which employed manmade fibers for the most part, had a profit position as good or better when compared with the concerns which relied mostly on cotton.

The textile industry is highly competitive, being oftentimes too competitive for its own good. Anyone familiar with its operations knows that it would have been impossible to pocket the payments which enabled the domestic industry to buy cotton at the same price that it sold to foreign mills. The demand situation in 1964 was extraordinarily strong and the textile industry responded to it as other industries responded.

The concern for the consumer arising out of the failure of textile prices to decline sharply in 1964 and 1965 also seems a little strange when the behavior of textile prices since 1947—just 2 years after the end of World War II—is considered.

Using the 1947-49 period as a base, the wholesale price index for all industrial commodities has risen about 29 percent. The price of cotton products has fallen 10 percent. As I recall, there has been little outside concern over the lag in textile prices and its relation to the low profits of the industry. Nor has the textile industry been given any credit for savings to consumers because prices have lagged 39 index points behind the general run of industrial prices.

Early in the 1960's, the Government moved the wholesale price index to the 1957-59 base, thus wiping out the gap between textile prices and other prices. Yet, using the new base, the wholesale price index for all industrial commodities and for cotton products stood at 102.2 during the first quarter of 1964, prior to the one-price program. The law went into effect in April. By July 1964,

the cotton products index fell to 98.3, other commodities holding to 101.1. The most recent figures are 102.1 for all industrial commodities and 99.7 for cotton products.

Any objective examination of cotton textile products and their price behavior since the end of World War II requires the conclusion that cotton textiles are relatively cheap in comparison to other commodities. The charge of profiteering in cotton textiles at the expense of the consumer is unwarranted.

The 1964 cotton program cost more than the first estimates. This, too, has been blamed on the textile industry. The original estimates were that the cost of the payments to equalize domestic and foreign prices would be around \$250 million. This is what the one-price phase of the program costs. The rise is overall costs had no relation to the one-price system and related primarily to a much bigger cotton crop than was anticipated and to the lag in exports.

The one-price plan for cotton has been beneficial, not only to the textile industry, but to the entire cotton industry and to the country. Any reversion to a two-price system will damage the textile industry. The real injury, however, will be to other segments of the cotton industry. The mills will lose the confidence they now have in cotton and will make plans to rely on other fabrics for the future. Their research and promotion will center around synthetics and the latter will gain rapidly at cotton's expense. The textile industry has recognized the interests of the producers and of other segments of the cotton industry. The mills do not try to spell out the details of a cotton program. They only ask that they be allowed to buy the staple at the same price as their foreign competition. They do not insist on legislation which equalizes many other advantages which the foreigners have, for example, the tremendous differential in wages here and abroad in favor of the outsiders.

I think the textile industry is to be commended upon their attitude. In this situation, the least the Congress can do in the interests of all concerned is to continue the one-price system of cotton.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from Connecticut [Mr. MONAGAN].

(Mr. MONAGAN asked and was given permission to revise and extend his remarks.)

Mr. MONAGAN. Mr. Chairman, my district is not primarily an agricultural one. In the agricultural field, it is peopled largely by dairy farmers; in the cities, it is a district of industries and industrial workers and managers. It is clear that the interest of these people is in cheap grain and reasonably priced bread. It is obvious that a farm bill whose effect will be to raise the price of grain and the price of food would not be well received in the area which I represent.

Naturally, in considering H.R. 9811 which is before the House today, as with all legislation, I do not base my vote solely on a determination of what is a burden or a benefit to my district. The

national interest must also be considered and I have considered it thoroughly. I am aware of the history of the 1920's and 1930's and I also recognize that a healthy agricultural segment is just as necessary to the country as good industrial wages and high business profits. I recognize, too, that American agriculture has produced abundantly and we are not confronted with the frustrating shortages that are found in Communist farm production. However, when this much has been said everything has been said and I firmly believe that the considerations on the other side of the ledger are so compelling that I am unable to support this legislation.

My opposition to the bill is more broadly based. In my judgment it is too expensive, it does not meet the objectives which it proclaims and it neglects the problems of the very farmers who are most in need. It involves wasteful and ruinous storage charges and constitutes an unfair burden on the community as a whole.

The bread tax proposal is an unconscionable attempt to foist yet another exaction on the long-suffering consuming public. Even with this eliminated, however, the bill would still remain objectionable. The whole thrust of the wheat program is misdirected. It confuses largesse with progress. I submit that the time has come for a reexamination of the premises on which this program is based and for a weighing of reasonable alternatives. There is too much call for Federal funds for other necessary and productive purposes, including tax reduction, to justify us continuing to waste them for obsolete programs. After all, 92 percent of all U.S. families live elsewhere than on the land and their problems are entitled to consideration and action.

It is not only the effect of the program on the consumers but on the farms themselves that is subject to criticism. Over the years, the reason for farm-income supports has changed drastically. In depression years, these were relief measures; in war years, they were used to stimulate production increases. In recent years, however, supports have been used to counteract the results of increased productivity upon prices and income.

In 1963 there were 3.5 million farms, yet the top million farms accounted for 80 percent of the sales of farm products. These were only 27 percent of the number of farms. As Kermit Gordon, then Director of the Bureau of the Budget, pointed out in a remarkable speech on November 19, 1964, this 27 percent of American farmers could produce all of the Nation's farm needs and these farmers had a 13-percent income increase for the 4 years preceding 1963, while their average rates of return on capital investment corresponded to those in the nonfarm economy.

The ridiculous fact is that 80 percent of our farm support assistance goes to those million farmers whose average income exceeds \$9,500, while the other 20 percent remains thinly spread among the remaining 2.5 million or 75 percent of the Nation's farmers. As one commen-

tator has said: "The bulk of the taxpayers' money goes to the few biggest farmers, who are already enjoying bigger income than most taxpayers. Poor farmers hear only the whistle of the gravy train as it goes by."

Thus both the welfare aspect and the production stimulation aspect of farm support legislation are outmoded.

I would not begrudge the expenditure of the \$4 billion required for the commodity programs, including the million dollars a day that are needed to store surpluses, if the whole were not such a resounding flop. We have supported subsidies of various sorts for other segments of our American community and we have even been willing to send American dollars abroad in our national interest, but we at least are entitled to ask that our program do the job for which it was conceived.

What other objectives have been missed by the farm program? One of these has been the piously asserted determination to preserve the small family farm. Yet since 1935 the number of farm units dropped from 6.8 to 3.7 million, while from 1930 to 1960 the big farms—i.e., those over 1,000 acres—increased their holdings from 28 percent to 49 percent of all the agricultural land in the country. As Professor Higby has said:

While the family farm survived, America went a long way toward getting rid of the farm family.

The present system comprises a fantastic combination of bonus handouts, retirement payments, and price supports which has made high-speed, big investment agriculture a wonderfully profitable enterprise. The system itself, however, with all its gimcracks and spur-of-the-moment improvisations, makes one think of a Rube Goldberg contraption.

The result is that the rich get richer while the poor go out of business. Thirty-four percent of all farms purchased in 1960 were bought by persons who were not farmers.

One serious obstacle to clearheaded examination of the farm program is the definition of a farmer. Statistics indicate that the top level of 312,000 units sell 50 percent of all agricultural commodities. These are the active, productive farmers.

The second group constitutes 1.7 million units and sells 45 percent of the Nation's crops and livestock, but this group is sharply divided between one-half million farms which produce over \$10,000 worth of commodities and a lower group of 1.27 million farms which sell less than this amount and have a net income of only one-third of gross sales.

There is a third group of 1.6 million units which produce only 5.3 percent of all farm commodities. Actually, it is questionable whether their operators are farmers at all, since their average net annual income was only \$217 from agriculture. They include semiretired or spare-time operators. However, this third group constitutes 44 percent of the official farm family and includes 349,000 farms of distressed owners whose income from agriculture averages \$438 and income from other sources averages \$425.

The solution of the problem of this last group should not be attempted in a farm bill. It is obviously a problem of stimulation of the economy to provide more nonfarm jobs that must be explored to deal with this difficulty.

It is easy to tick off problems in other categories which urgently need examination. One need only mention urban renewal, water pollution, mass transportation and vocational education to indicate fields where the billions spent on the farm program could be expended with vast benefits to the vast majority who live in urban areas. Surely the time has come for us to stop these wasteful programs. The old slogans are not enough. The farmers themselves must stop the pressure for reducing controls while increasing support payments. We need a fresh approach and one that will accomplish the necessary objectives with fairness to farmer, processor, consumer and taxpayer. Until such approach is apparent, I shall oppose this legislation.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I wish there were time for me to make a more comprehensive statement on this important legislation at this time, but in view of the time element I shall defer that until tomorrow during the course of the reading of the bill. However, I would like to ask the chairman several questions.

Can the chairman tell me why it was necessary on page 21 of the bill, beginning on line 19, to write in that paragraph No. (12) beginning, "Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted"——

Mr. COOLEY. What page is that, please?

Mr. MICHEL. Page 21 of the bill, beginning with the last paragraph No. 12:

Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of combined price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton——

And then it makes reference to cotton.

Mr. COOLEY. I think the language is perfectly clear. Should we impose a limitation——

Mr. MICHEL. As has been done in times past.

Mr. COOLEY. Yes; then we go back to a price support program, to loans rather than direct compensatory payments.

Mr. MICHEL. Mr. Chairman, in the report on page 17, in the middle of the page, there is the following:

The limitation that land diversion and price-support payments could not exceed 20 percent of the fair market value of the land would be removed.

That, of course, was a limitation which I had in the form of an amendment to the bill several years ago. Now I see you have taken it out. I am wondering if the chairman could tell me why that 20-

percent limitation has been stricken from the bill? Of course, I see further in the report that you say:

Land value is not always a fair criteria of producing capacity. Land in suburban areas is higher priced while not necessarily as a result of superior productiveness.

Of course, my limitation was not designed for that land in the immediate suburban areas that get up to \$2,000 or \$3,000 an acre. Certainly, the Department down here is not going to be making payments aggregating that amount.

Mr. COOLEY. Does not the gentleman agree that that comment is accurate in the report, that the land value is not always a proper criterion?

Mr. MICHEL. Oh, granted, but you single out suburban areas which are certainly not areas which I had in mind. As a matter of fact I was thinking at the opposite end of the spectrum in what I was talking about.

Mr. COOLEY. We base the support on the earning capacity of the land rather than upon the value of the land. Look at section 7, paragraph 16:

Payments for diverting acreage from feed grain to conservation uses would be up to 50 percent of the county price support rate for the normal production of the commodity as under previous programs.

So, that limits it.

Mr. MICHEL. But the gentleman still seems to feel—or for some reason a limitation has been deleted in this bill, which gives me cause to think that there are going to be some payments that will exceed one-fifth of the reasonable land value, or you would not be taking the limitation out of this bill.

Then it moves me to say that I think it is just unconscionable and unreasonable that we should be making payments in some areas——

Mr. COOLEY. The payments we are talking about are price support payments; is that right?

Mr. MICHEL. Yes.

Mr. COOLEY. Not land retirement payments?

Mr. MICHEL. That is right.

Then what effect would that have on regular direct payments?

Mr. COOLEY. The program is that if money is not available to make direct payments we will do it through loans.

Mr. MICHEL. And those direct payments then would never exceed what?

Mr. COOLEY. Fifty percent of the normal value of the income from the property.

Mr. MICHEL. I notice then in the feed grains section on page 16 that the yields on which diversion payments would be computed would be the yield expected on the farm in the current year rather than being tied to a historical 5-year average.

Now, would that not work to the advantage of those whose crops in the current year would be good, as against those who might not have received rain and have experienced a bad year, as against averaging it over a period of years where they might have had good rainfall?

Mr. COOLEY. What we are talking about is normal yield. If there are ad-

verse weather conditions, that would be taken into consideration in making the adjustments.

Mr. MICHEL. Is there language in here where the Secretary has discretion to make the adjustments?

Mr. COOLEY. I think so. It is in the report if not in the bill.

Mr. MICHEL. I thank the chairman.

Mr. COOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. HAGEN].

(Mr. HAGEN of California asked and was given permission to revise and extend his remarks.)

Mr. HAGEN of California. Mr. Chairman and members of the committee, I would like to comment on the subject of the remarks of the gentleman from Arkansas [Mr. GATHINGS].

The provisions of the cotton section of the farm bill to which he objects are precisely its strong points. A major defect in the cotton program is that the law has been shot through with devices to concentrate or keep production in those geographic areas which grow the largest amount of the least usable varieties and grades. As a consequence the Federal storage bins have become the principal market for such cotton. In one Southern State over 85 percent of the cotton grown is purchased by the Government for storage or foreign giveaway. Several other similarly located States market over 50 percent of their cotton to the Government through the loan mechanism.

This means that we have had a very expensive cotton program at the same time that cotton mills in those areas have been unable to get adequate supplies of the kind of cotton that they need at a reasonable price.

On the other hand, California, Arizona, New Mexico, and parts of other States have been producing the kind of cotton mills can use and buy when it is offered. This cotton is not bought by the Government through the loan program and costs the taxpayers nothing. For example on the average over 98 percent of California cotton is sold on the open market and is in actual short supply. You need not wholly rely on my veracity for the truth of this statement.

L. T. Barringer, vice president of Cannon Mills of North Carolina has said:

The high strength and uniform quality of California cotton make it possible for us to use more cotton. We can take other cotton, and by blending it with strong California cotton make a good, salable product.

Ben Tipton, vice president of Dan River Mills says:

If we didn't have strong California cotton to beef up other cottons, we would just use less cotton. California cotton makes it possible for us to use more cotton from other areas. It provides strong competition to synthetics. We need it especially for our new finishes that demand stronger yarns and cloth.

It has been reliably estimated that about 900,000 additional bales of California cotton could have been sold last year at home and abroad had it been available.

It is for this reason that the overplant provision that Mr. GATHINGS objects to is in the bill. It meets a need of the cotton mills and will provide an opportunity to deserving growers to meet the challenge of world market pricing. They will receive the same privilege as any grower has under both the wheat and feed grain programs.

They will give up all possible Government assistance in cotton growing. I doubt that the privilege will find too wide a use but if only one grower uses it it will establish a case for a radical lowering of price supports or the elimination thereof in cotton production. It will be a test for free enterprise in farming.

The other provisions that the gentleman from Arkansas objects to would restrict the indefensible, in my opinion, abuse of a section of the cotton law which requires a small farmer to lend his allotment, without profit to himself, to a larger farmer who uses it to grow more cotton at increased cost to the Government. A collateral provision is the establishment of a land retirement program for cotton land and cotton allotments. It is much cheaper for the Government to retire unneeded production than to finance and purchase production of an unneeded quality of product and the land retirement aspects of the proposed cotton program will be a real source of saving to the Government.

One final analogy. Those persons who support release and reallocation without restriction. Those persons who oppose retirement of marginal cotton land—those persons who oppose letting a competent grower take his chances of producing without Government assistance at the world price—are as wrong as an economist who insisted on the Government supporting the production of the old square Essex cars and restricting the production of a modern Ford automobile. Each such effort would be described as foolish, uneconomic and certainly costly in terms of the results achieved.

Mr. DAGUE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, the chairman of the Agriculture Committee in remarks earlier today might have left an erroneous impression to the effect that if this bill is defeated there would be no programs on the books to deal with the major commodities. I am sure he did not intend to leave that impression. But later on he made a remark which made me wonder, and that remark related to the cotton program and the two-price system which prevailed prior to early last year.

He said in his remarks that the only place that the textile mills could look to get relief was to Congress to get this type of mill subsidy program.

I am sure the gentleman would not want that statement to stand on the record.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, I did not refer to any mill subsidy program at all. I have never called it a mill subsidy program.

The gentleman from Illinois knows that in the committee we were in doubt

as to whom the payment should be made. It was highly controversial. So we left it to the Secretary's discretion to designate the person who should receive the payment. The mills stated specifically that they did not want to be subsidized and some of the farm organizations did not want to accept the payments. So we left it with the Secretary and the gentleman knows what the reasons were for doing this.

My comment was based upon the statement which the gentleman made in response to a question propounded by one of the Members in the debate when he asked the gentleman from Illinois if he were not in favor of doing away with all of the farm programs and the gentleman said that yes, that is an ideal goal or words to that effect.

Mr. FINDLEY. I will say to the gentleman I appreciate his clarification. I am sure he will agree with me that the textile mills did have a place to go prior to the enactment of this so-called one-price cotton program. They could have gone to the Secretary of Agriculture who had ample discretionary authority to drop the level of price supports under the 1958 act, and eliminate the inequity to the textile industry. Later on the gentleman from North Carolina [Mr. WHITENER] made quite a case for this payment to the textile mills.

But one of the problems that occurred to me is the plight of the wheat mills. Would it not be just as equitable to provide a payment to the wheat mills to offset the disadvantage they have in comparison with millers up in Canada who can buy American wheat a lot cheaper, or use their own wheat and have a 75-cents-per-bushel advantage in making bread and shipping it into the United States?

Mr. COOLEY. The gentleman must be woolgathering, or something.

Mr. FINDLEY. You can understand that when we have cotton, wheat, wool, and everything else right in this bill.

Mr. COOLEY. Let us get back to the cotton proposition.

Mr. FINDLEY. I think it is a shame so little time has been devoted to the cotton section which, in my opinion, is the most expensive boondoggling we have had in American agriculture.

Mr. COOLEY. We will see who agrees with the gentleman tomorrow.

Mr. FINDLEY. The gentleman said that the consumers have benefited under this cotton program. Looking at this cotton situation report from the consumer and market service I find that in every month since this so-called one-price cotton has been in effect the yardstick used by the UDA shows that the consumer price has gone up every single month. On the other side of this statistical table we find in every single month the price of cotton has gone up. This despite the fact they had the price advantage of this program, which is costing the taxpayers somewhere around \$900 million a year. I think it is shameful we have to consider any variation of this program which will affect the taxpayers of the United States.

Mr. COOLEY. The gentleman stated that poor men eat more bread than the

rich man. The poor man wears more cotton than the rich man, too.

Mr. FINDLEY. Why do we not have a cotton tax?

Mr. COOLEY. Why does not the gentleman bring out a bill?

Mr. FINDLEY. Will the gentleman support the amendment? I will be glad to offer the amendment.

Mr. COOLEY. No. I would not support anything right now that the gentleman offers.

Mr. FINDLEY. One of the curious results of this so-called one-price cotton is that imports of cotton textiles are up, the exports of cotton are down. The utilization of cotton is down compared with the year before. I do not see how anyone can conclude this cotton program has been a success. We talk about revitalizing the cotton industry with a price tag of about \$900 million. With that kind of money we could revitalize the buggy whip.

Mr. MURPHY of New York. Mr. Chairman, I want to bring to the attention of my colleagues, during this debate on the farm bill this year, the statement by the Seafarers International Union of North America, AFL-CIO.

The Seafarers have in their statement clearly pointed out that billions of dollars are being spent to subsidize our agricultural labor and industry to keep it competitive with other world markets. And yet we seem to be overlooking our dying merchant marine in its greatest hour of need.

I think that the House should insist on the cargo-preference program being supported by the Department of Agriculture, and that we hear today from the Secretary.

Mr. Chairman, the Seafarers statement follows:

STATEMENT BY SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, AFL-CIO

Members of the House of Representatives will soon be asked to vote on H.R. 9811—the Food and Agriculture Act of 1965.

Before voting on this measure, we would urge the Members of the House to weigh carefully certain activities of the Department of Agriculture, and allied agricultural interests, with respect to the preservation of the American-flag merchant marine.

Agriculture each year asks the Government—the American taxpayer—to appropriate some \$7 billion, most of which is spent to maintain high farm prices at home and to enable the American farmer to compete in world markets.

We have no quarrel with this subsidization of the American farmer. On the contrary, we believe that the American farmer is entitled to enjoy every benefit of the American way of life—including a fair return for his labor.

But we also believe that the same concept should apply to other American workers, including American maritime workers.

We believe that the agricultural industry of this country should be given every possible constructive support. But we do not believe that this should be done at the expense of another industry—and certainly not at the expense of an industry which is essential to the defense of this Nation, as well as to its commerce.

Unfortunately the Department of Agriculture, and particularly during the tenure of Mr. Freeman, has been making repeated efforts to destroy even the small measure of

security still retained by American shipping and American seamen.

At the present time, and pending the development of a more vigorous maritime policy by our Government, American shipping must rely in large measure, for its continued existence, on the carriage of Government-sponsored cargoes, particularly agricultural commodities.

Even for the subsidized segment of our merchant fleet, these Government cargoes often spell the difference between profit and loss. And for the unsubsidized segment of our fleet—which makes up two-thirds of our total fleet—these Government cargoes spell virtually the difference between life and death.

The legal right granted by Congress to American ships and seamen, to carry at least half of the cargoes generated by their own Government, and paid for by the American taxpayer, represents, as we have said, the single small measure of security still left to the American-flag merchant fleet.

Yet this final measure of security is the one which the Department of Agriculture, along with various allied agricultural blocs, has methodically and systematically been attempting to destroy.

Last March 16, for instance, Charles S. Murphy, who was then the Under Secretary of Agriculture, told members of the Senate Committee on Banking and Currency that the requirement on the use of American-flag merchant ships is detrimental to the export of U.S. farm products to Russia and other Communist countries.

Three days later, on March 19, the same view was expressed by Secretary Freeman in testimony before a House appropriations subcommittee.

In recent weeks there has been marked evidence of the buildup of an attack, by the agricultural interests of this country, against the requirement that American-flag vessels carry at least half of the grain cargoes destined for the Soviets and its satellites—although a pledge to this effect was given by the late President Kennedy at the time the original sales of wheat to Russia were negotiated in the fall of 1963.

It must be evident that a victory for these farm interests, which are seeking an end to the use of American flagships to carry grain to the Soviets, would signal the beginning of a new onslaught against the entire cargo preference program, which they have been seeking to destroy since it was enacted by the Congress in 1954—even though the entire cargo preference program costs the American taxpayer around \$80 million a year, compared with the billions which Agriculture spends annually.

The maintenance of an adequate and healthy American-flag merchant fleet is essential not only to the commercial well-being of this Nation, but also to its national security. Yet the state to which our merchant marine has fallen was heavily underscored recently when our military authorities had to authorize the use of foreign-flag vessels, and break antiquated American-flag vessels out of the reserve fleets in order to maintain the sealift to Vietnam.

Moreover, the essentiality of an American-flag merchant marine for both commercial and defense purposes is clearly stated in the Merchant Marine Act of 1936 and constitutes the foundation of our national maritime policy.

In pursuing programs which seek the destruction of the American-flag merchant fleet, the Department of Agriculture is not only trying to destroy an industry upon which hundreds of thousands of American workers depend, but is also acting contrary to the established national maritime policy which has been mandated by the Congress.

The destruction of the American-flag merchant fleet, which could result if the Department of Agriculture and Secretary

Freeman continue with their present policies, would also have a most detrimental effect upon our international balance of payments as well as upon our local economies—particularly the economies of our seacoast cities.

We would strongly urge that the Members of the House demand that Agriculture clarify its intentions toward the American merchant marine before approving the bill now before it.

The CHAIRMAN. If there are no further requests for time, pursuant to the rule, the Clerk will now read the bill by title, instead of by section.

The Clerk read as follows:

H.R. 9811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1965".

TITLE I—DAIRY

SEC. 101. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all of clause (d) and inserting in lieu thereof a new clause (d) to read as follows:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk, which may be adjusted to reflect sales of such milk by any handler or by all handlers in any use classification or classifications, during a representative period of time which need not be limited to one year. In the event a producer holding a base allocated under this clause (d) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases. Allocations to producers under this clause (d) may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. Any increase in class one base resulting from enlarged or increased consumption and any producer class one bases forfeited or surrendered shall first be made available to new producers and to the alleviation of hardship and inequity among producers,"

and by adding at the end of said subparagraph (B) the following: "Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under (d) above shall not become effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

SEC. 102. Such Act is further amended (a) by adding to subsection 8(c)(5) the following new paragraph: "(H) Marketing orders applicable to milk and its products may be limited in application to milk used for manufacturing"; and (b) by amending subsection 8c(18) by adding after the words "marketing area" wherever they occur the words "or, in the case of orders applying only to manufacturing milk, the production area".

SEC. 103. The provisions of this title shall not be effective after December 31, 1969.

SEC. 104. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall

be the same subsequent to the adoption of the amendment made by this Act title as it was prior thereto.

Mr. COOLEY. Mr. Chairman, before the Committee rises, I am placing in the RECORD at this point the amendments to be offered to the cotton title, together with explanatory material:

On page 14, beginning on line 24, strike out all of paragraph (2) and renumber paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

On page 15, line 12, insert a comma after the figure "344", and strike out the words "or planting cotton on a farm for which no allotment was established for such crop," and on page 15, line 15, change the period to a colon and add the following language: "Provided, That this subsection shall be applicable only to farms for which farm acreage allotments were established for 1965 and the farm operator for the current year was the operator of such farm for 1965 or has acquired such farm by inheritance from the operator since such year. The operator of any farm who elects to forego price support for any such year under this subsection shall not be eligible for price support on cotton on any other farm in which he has a controlling or substantial interest as determined by the Secretary."

On page 18, beginning on line 6, strike out paragraphs (4) and (5) and insert in lieu thereof the following:

"(4) The Secretary shall provide price support payments in addition to the payments authorized in paragraph (3) to cooperators who divert from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That such diversion shall not exceed 35 per centum of the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended.

"(5) The combined rates of the payments under paragraphs (3) and (4) for the 1966 crop shall be made on the farm domestic acreage allotment determined on the basis of the farm acreage allotment without regard to acreage reapportioned to the farm under section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, and shall be in amounts as follows:

"(A) For farms on which the acreage planted to cotton does not exceed the farm domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

"(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

"(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

"(D) Notwithstanding the foregoing provisions of this paragraph, no payment shall be made with respect to the domestic allotment portion of any acreage reapportioned to the farm under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, greater than 42.9 per centum of the basic level of support established under paragraph (2).

"The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance."

On page 22, beginning on line 24 after the word "exceed", strike out the balance of the sentence and insert: "an acreage equal to 85 per centum of such farm acreage allotment determined without regard to any acreage reapportioned to the farm under paragraph 344(m)(2) of the Agricultural Ad-

justment Act of 1938, as amended, plus an acreage not to exceed the number of acres reapportioned to the farm under such paragraph."

On page 25, line 9, change the period to a colon and add: "Provided, That the authority granted under this section may be exercised for the calendar years 1966, 1967, 1968, and 1969, but all transfers hereunder shall be for such period of years as the parties thereto may agree. On page 26, beginning after the semicolon on line 3, change item (v) to read as follows:

"(v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) established for such farm for 1965 by more than one hundred acres."

EXPLANATION OF THE AMENDMENTS

The amendment on page 14 would eliminate paragraph (2). This would permit the transfer of released acreage across county lines within the State, as is permitted under present law.

The amendment on page 15 would permit the planting of unlimited acreage to cotton while foregoing program benefits only on farms which had an acreage allotment for 1965 and which were operated by the same farm operator or his heir. An operator who chose to overplant his acreage allotment on one farm could not participate in the program on any other farm in which he had a controlling or substantial interest.

The amendment on page 18 provides that farmers who receive reapportioned acreage would receive price support payments on the farm domestic acreage allotment computed without regard to reapportioned acreage. The rate of price support payments on such domestic acreage allotment would reflect payments for diverted acres. Farmers would continue to receive 9 cents per pound in 1966 for the domestic allotment portion of reapportioned acres but would not receive payment for diversion of any such acres.

The amendment on page 22 would provide that a cooperator for purposes of the bill would only have to divert 15 per centum of the farm acreage allotment determined before any acreage is reapportioned to the farm.

The amendment on page 25 would limit the applicability of section 405 of the bill so that transfers could be approved during the 4-year period 1966-69 but transfers so approved could continue in effect beyond such period.

The amendment on page 26 would limit the total cotton allotment which may be transferred by sale or lease to any farm to an acreage not to exceed 100 acres above the 1965 farm acreage allotment excluding acreage reapportioned to the farm for 1965.

Mr. Chairman, I move that the Committee do now rise.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity to rural areas, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative

days in which to extend their remarks on H.R. 9811.

The SPEAKER pro tempore (Mr. ALBERT). Without objection, it is so ordered.

There was no objection.

THE MARITIME STRIKE

(Mr. BOGGS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BOGGS. Mr. Speaker, yesterday the President of the United States, in a very well-considered statement, called upon the parties involved to negotiate settlement of the current maritime strike. I commend this statement to the Members of this body, and to the people generally. This strike is having a disastrous effect on the economy of our country. It is having a particularly bad effect upon our balance of payments, not to mention the tremendous loss of revenues to the American-flag ships as well as the loss in employment of many American seamen.

The strike has lasted way too long, and the President has called upon the operators and the unions to work with Secretary Wirtz and the president of the AFL-CIO, George Meany, to bring about an amicable and lasting solution.

I hope this will come about in the next few hours.

ANNIVERSARY OF ALLIANCE FOR PROGRESS

(Mr. SELDEN asked and was given permission to address the House for 1 minute.)

Mr. SELDEN. Mr. Speaker, 4 years ago last April it was my privilege to join distinguished representatives of the Western Hemisphere in the East Room of the White House at the invitation of President John F. Kennedy. At that time the President enunciated a sweeping program for the social and economic development of Latin America and asked the Latin American countries to join with us in an Alliance for Progress.

As in any such novel and dynamic program, the Alliance has, over the past 4 years, capitalized successfully on its experience of successes and disappointments. Progress has been made in the past 4 years but, as we all know, the path ahead is still a long one.

Today, a little more than 4 years later, I again joined representatives of the Western Hemisphere in the same room of the White House where we heard President Lyndon B. Johnson eloquently restate our faith in the future of this partnership.

His words, I am sure, will be of interest to the Members of Congress and I include them at this point in the RECORD.

My fellow citizens of the Americas, 4 years ago this hemisphere embarked upon a great adventure—the greatest, perhaps, since an unknown Italian mariner first touched these shores almost five centuries ago.

It was nothing less than to transform the life of an entire continent.

It was to reach into the homes and villages of more than 200 million people—touching each with hope and expectation.

It was to replace privilege with social justice and unchanging poverty with economic progress. Where there was disease we would bring health. Where there was ignorance we would bring learning. We would feed the hungry and shelter the homeless. And we would do all this as freemen, making liberty the companion of progress.

The adventure began in a dozen scattered spots. In Colombia, the act of Bogotá was signed. In Caracas, Romulo Betancourt moved a nation from dictatorship to a living and hopeful democracy. In Costa Rica, and Mexico, and in many other places, new standards were being shaped; old dreams were taking on fresh meaning. Across the hemisphere revolution was in the air, promising these three: freedom, justice, progress.

And then all these growing, resistless forces converged on this room, where a new President of the United States addressed himself to his fellow citizens of the hemisphere. With unmatched spaciousness of vision, John F. Kennedy called for "a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people."

And 5 months later—4 years ago today—on the coast of Uruguay, 20 American Republics solemnly resolved "to establish and carry forward an Alianza para el Progreso."

That act was a turning point, not only in the history of the new world, but in the long history of freedom.

The goals were towering, almost beyond achievement. The hopes were soaring, almost beyond fulfillment. The tasks were immense, almost beyond capacity. But entire nations are not stirred to action by timid words and narrow visions. The faith and will of millions do not take fire from brands muffled in reluctance and fear. And if the reality of progress was to be slow, the radiance of ultimate achievement must be bright enough to compel the effort and sacrifice of generations.

If our Alianza was suffused with compassion and idealism, it also responded to the most real and urgent necessities of our time. Our continent is in ferment. People long oppressed demand their share of the blessings and dignity which the modern world can offer man. The peaceful democratic social revolution of the Alianza is not the alternative to tranquillity and changelessness. It is the alternative—and the only alternative—to bloodshed, destruction, and tyranny. For the past is gone. And those who struggle to preserve it enlist unawares in the ranks of their own destroyers.

We will shape the future through the principles of our Alianza, or find it swallowed up in violence bred of desperation.

And how fortunate we are to live in such a time, when justice so mingles with necessity, and faith with opportunity.

Almost from the moment of birth, the Alliance for Progress was beset by doubt. But men of rooted faith in every country held firm to purpose. And if we have not reached the farthest limit of expectation, we have done much; more, indeed, than many believed.

This 4 years has been the greatest period of forward movement, progress and fruitful change in the history of the hemisphere. And the pace is increasing.

Last year Latin America as a whole exceeded the Alliance for Progress target of 2½ percent per capita growth rate. Our experts tell us we will do the same this year. And in the Central American Common Market, growth is almost 7 percent.

A large and swelling flood of resources contributes to this progress. In 4 years, the United States has contributed almost four and a half billion dollars in grants, loans, goods, and expert assistance. The nations of Latin American have channelled \$22 to \$24 billion into development. And more

Therefore, Mr. Speaker, I intend to introduce a House resolution requiring the U.S. Post Office Department to provide in full the names of its employees to Members of Congress upon written request.

In addition, I have written to the Chairman of the Government Information Subcommittee as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 17, 1965.

Hon. JOHN E. MOSS,
Chairman, Government Information and Foreign Operations Subcommittee, Rayburn Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed you will find copies of certain correspondence between myself and Mr. Richard J. Murphy, Assistant Postmaster General, concerning my request for the names of young people hired by the Post Office Department under the President's youth opportunity campaign.

You will note that my request for this information is being denied under Postal Regulation 744.444. According to Mr. Murphy's letter of August 16, I am being refused on the grounds that I am an "individual."

It certainly seems to me that Members of Congress will be placed in a strange position if such a precedent is established. It should be our duties, as elected representatives of the people, to make regular inquiry into the operation of various governmental programs. If we are to be constantly denied access to the most harmless of information, I cannot see how we can possibly fulfill our duty.

I am sending you the copies of this correspondence in the belief that it may be of use to you in your work as chairman of a Government Information Subcommittee. You may rest assured that I appreciate the concern you have already shown in this matter.

Sincerely yours,

ALBERT H. QUITE,
Member of Congress.

THE LOS ANGELES SITUATION

The SPEAKER pro tempore (Mr. ROONEY of New York). Under previous order of the House, the gentleman from South Carolina [Mr. WATSON], is recognized for 15 minutes.

Mr. WATSON. Mr. Speaker, every American should hang his head in shame over the activities which are now going on in Los Angeles, Calif., and other areas of the United States. But this era of lawlessness will not stop until the responsibility for its occurrence is assumed by the rightful authorities and they, in turn, demonstrate a determination to condemn rather than condone and excuse such outrageous disregard for law and order.

The insurrection they are experiencing in California is the responsibility of the President, his Attorney General, the Federal courts and such professional trouble makers as Martin King. I intentionally do not use his supposedly full name, for I understand such was not his given name, but in any event to do so is to desecrate the memory of that great religious leader, Martin Luther. Additionally, a majority of this Congress must assume a part of the responsibility.

While local law enforcement officers throughout the United States have attempted to maintain law and order, we find King openly advocating defiance of

law and even recently injecting himself into international negotiations by advocating withdrawal of American forces from Vietnam. When told that his proposal to negotiate directly with the Communists was against American law, he, as in the past, simply threw it off with the comment: "It is unfortunate that my plans conflict with the law." Repeatedly he has advocated the violation of local law, and he and his cohorts have led thousands of Americans into a life of civil disobedience. He cannot disavow his responsibility for what is occurring in Los Angeles. He cannot teach and lead young people to disobey one law and then criticize them for disobeying any other law regardless of how grave the consequences may be. The fact that the punishment for or the gravity of the violation differs does not excuse the violators.

Without question, King and his cohorts have done irreparable damage to America in the destruction of our prestige abroad and in the breakdown of law enforcement at home. King is the most dangerous man in the United States, and unless he is checked immediately the seeds of insurrection which are now germinating in Los Angeles will erupt into widespread revolution.

Obviously, Martin King considers himself above and beyond the law. He is calling the shots and for obvious political reasons the Attorney General and the President refuse to stop him. Regardless of what King and others may say, we still profess to be a Government of laws and not of men, and it is imperative that obedience to law and respect for our law enforcement officers be restored. As long as King gets what he wants, the tide of terrorism will never be turned back.

Mr. Speaker, we cannot expect the violence and demonstrations to cease unless positive and firm punishment is given the violators on the local level and such measures receive the support of the administration and the Federal courts.

Today the racial trouble maker has a virtual Federal license to violate local laws. He knows that local officials and courts are powerless to punish him. He knows that the Federal authorities will free him as quickly as the local authorities convict him. In fact, he knows that in one instance a Federal official had the temerity to post bonds for some of the law violators in my great State of South Carolina.

This general breakdown of law and order is contributed to by the President when he stands before this Congress and the American people and personally repeats the chant of the troublemaker, "We shall overcome." He will be powerless to control the mobs so long as respect is shown King and other advocates of disorder and the President himself takes the position, as he has done, that demonstrations and sit-ins are in the best tradition of the American Republic.

Then, too, a majority of this Congress, in the passage of so many far-reaching and unconstitutional civil rights measures, has given comfort and encourage-

ment to the lawless. I stated on the floor of this House when we were debating the Civil Rights Act of 1964, that the passage of that measure would not solve any of our problems but would, in fact, create more frustration and encourage the lawless. You do not provide jobs by the passage of a law. You do not bring about better understanding and mutual respect among our citizenry by the passage of a law. Racial problems vary from State to State and county to county and will be solved, as indeed they were being solved before Federal intervention, on a local level.

Mr. Speaker, we cannot sit by quietly while 32 persons, black and white, are killed, 600 wounded and over 3,000 jailed with over \$175 million worth of private property burned or destroyed. Martin King will not be able to stop this insurrection for, although he was a recipient of the Nobel Peace Prize, he has indeed inspired lawlessness and has brought about more unrest and violence in the United States than any other man in the history of our country. Neither can the President and the Department of Justice deal effectively with this grave problem until their attitude and that of the Federal courts is changed from respect for to rejection of the leaders of violence.

It is imperative that we stop coddling and encouraging the troublemaker. It is imperative that our Federal authorities give full support to our local law enforcement officers, for lawlessness even in the name of social justice is still lawlessness. It is imperative that we commend the officer who is trying to do his duty rather than condemning him and commending the violator. Unfortunately today a person who is injured or killed as a troublemaker is made a martyr, with personal attention from the President, while the local law enforcement officer who is guilty of no offense other than trying to perform his duty is criticized and subjected to public scorn. Indeed, the officer is made a heel while the offender is made a hero. It is high time that the rights of the overwhelming majority of our citizens are considered and that strong measures are taken to control the lawless. Unless this is done and done immediately, the seeds of anarchy will continue to germinate and will ultimately burst into revolution.

While I do not contend that all of the civil rights agitators and troublemakers are Communists or Communist sympathizers, we cannot escape the conclusion that what is going on in California and other parts of this great Nation is playing into the hands of the Communists and presents a serious threat to the future of this country. There must be a reversal of the attitude on the part of the President, the Attorney General, the national press and the leadership of this country before this rioting and mob rule will be controlled.

Mr. Speaker, we cannot cater to every whim and caprice of the civil rights agitator, as has been done in recent years, without destroying this country. King and his cohorts have an insatiable desire for power and they will not stop until

they control every aspect of our national life. God forbid that we cooperate with them in the destruction of America.

A STEP FORWARD AT THE UNITED NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. COHELAN], is recognized for 15 minutes.

Mr. COHELAN. Mr. Speaker, earlier this month, along with the distinguished gentleman from Wisconsin [Mr. REUSS], I urged that the United States take a new look at its position regarding article 19 of the United Nations' Charter.

It was quite clear then, as it has been for some time, that the American effort to make the Soviet Union and other nations pay their share of the U.N.'s Congo and Middle East operations, or lose their vote in the General Assembly, has paralyzed the Assembly but failed to make the delinquent parties pay up. As the Washington Post correctly stated in an editorial yesterday:

Though legally and morally right, the United States has gotten nowhere.

It has been equally clear for some time now that at this state of international relations no world power can be compelled to pay for peacekeeping operations of which it disapproves; any effort to force the issue, to insist on the proper provisions of article 19, could only serve to destroy the United Nations.

The problem of the U.N.'s \$108 million deficit remains, and it is a serious problem. But it can be resolved through voluntary contributions. Several countries have already followed this route and others have indicated they will do so.

The problem of future peacekeeping operations remains as well. But here again it can be resolved by voluntary United Nations' peacekeeping forces with participation restricted to those willing to share in its costs. In this respect it is worth remembering that several of the U.N.'s peacekeeping operations, including the present effort on Cyprus, have been conducted on a voluntary basis.

Mr. Speaker, our primary objective in regard to the United Nations should not be merely to keep it alive but to strengthen it and to enable it to deal with the very difficult and dangerous problems of today and tomorrow. One such step would be to deal with the overall problem of U.N. financing: to put the U.N. on a firmer financial footing where it would not find itself continually in such a dependent state.

Another step would be to create a permanent standby peacekeeping force made up of representatives of many nations so that the reluctance of one or several countries to participate at a particular time or place would not preclude quick and effective action.

A third step is the one taken by Ambassador Goldberg yesterday at the 33-nation Committee on Peacekeeping Operations. It was not, I am sure, a pleasant step for the Ambassador to take. We had an advisory opinion of the World Court on our side. But it was a necessary step if the United Nations is to sur-

vive its present crisis and if it is to move forward to fulfill man's hopes for world stability and world peace.

Mr. Speaker, I include the editorial from yesterday's Washington Post, that I have already mentioned, which speaks further and pointedly to this issue:

PRIDE SWALLOWING AT U.N.

In this imperfect life, no matter how right you are you may not be given deserved support. Such is the case of the United States' valiant fight to have article XIX enforced at the United Nations.

Article XIX of the U.N. Charter provides that nations more than 2 years delinquent in their dues lose their vote in the General Assembly. The World Court, in an advisory opinion, has ruled that article XIX also applies to such U.N. peacekeeping operations as the Congo and the Middle East.

The Soviet Union, the Eastern European Communists, France and a number of other nations who disapprove of the U.N. Congo or Middle East peacekeeping operations, or both, have refused to pay their assessments and now are more than 2 years behind in their bills. The United States, both as a matter of principle and out of annoyance at having to perpetually make up the deficit of an ever-broke U.N., has insisted on the enforcement of article XIX against these delinquents.

Though legally and morally right, the United States has gotten nowhere. The majority of U.N. members have refused to have a showdown denying the Soviet Union its vote, because it might force a Soviet walk-out from the U.N. altogether. Rather than face up to the issue, the General Assembly last February decided to adjourn its session—and reassemble, with a solution worked out, this September 1.

Today, a committee of 33 nations charged with finding a solution, reconvenes in New York. U.S. Ambassador to the U.N., Arthur Goldberg, will be making his maiden appearance and so far is the only speaker inscribed.

As distasteful as it may be, the United States now is faced with the alternative of either sticking by its position—right as it may be—or giving in and permitting the General Assembly to vote—delinquents as well as dues payers—and get about its business.

Such a U.S. capitulation will be an expediency, nothing more. It will not solve the essential problem of how the United Nations is to finance peacekeeping operations in the future. It will open the door to what some Senators now are urging, punitive U.S. actions in the future in which this country will have its turn at holding back payments.

It will, in a very real sense, mean conceding to the Soviet Union, France, et al., that the veto-less General Assembly, which voted the funds for the Congo and Middle East peacekeeping operations, is not the proper place; that such votes must take place in the Security Council where the great powers can veto them.

One alternative, advanced by Senator GEORGE D. AIKEN, would have future peacekeeping funds come from the almost-untapped special reserve fund of the World Bank. This fund, which is growing at the rate of \$150 million a year and now totals some \$1 billion, represents free world money with no Communist contributions. But the free world, which is footing the peacekeeping bills now anyway at least would be granted a way of financing future Congo-type operations free of a Security Council veto.

Voluntary contributions from the U.N. membership itself would, of course, be another alternative.

Whatever the solution, the time unfortunately has come for the United States to acknowledge that its fight to get article XIX enforced has made no progress. This newspaper, which has fought for the article XIX

principle in the past, and still acknowledges it to be the correct legal solution, is persuaded that this country must give way in order to permit the United Nations to resume whatever business it now is capable of performing.

THE FARM BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 10 minutes.

Mr. FOGARTY. Mr. Speaker, the farm bill now before us gives all of us the feeling that "we have been here before"; that we have wrestled for many years with a situation only made worse by the U.S. Department of Agriculture and by our own willingness to go along—at times—with Agriculture Department officials who obviously do not know what they are doing.

To be sure, we have rejected some of the more flagrant schemes of the Agriculture Department—as we did in 1961—but any member who sits on the Appropriations Committee is compelled, by mere force of figures, to conclude that we have helped create an inexcusable situation.

Last year, we moved a farm bill that was much like the one we are acting upon now. The 1964 bill was bad, but it was not nearly as bad as this one.

Last year, we received all sorts of idle promises—cotton prices to consumers would be lowered, Government costs would be lowered, flour prices would not go up—and on and on and on.

Now, here we are a bare 16 months later and we find that the Federal Treasury has spent \$3 billion in 1 year on cotton, wheat and feed grains, and that within this very month, the same U.S. Department of Agriculture predicted this Nation will harvest the all-time record high crop of feed grains, and that cotton and wheat production will be at near-peak points.

It is very easy to say all this, but we should let it sink in—\$3 billion in 1 year spent for programs that we were told would help to bring things into balance. And yet, \$3 billion later, we have a record production, our cotton exports are down to a miserable point, cotton surpluses are extremely high, wheat production is high, and feed grains are setting a new record.

I say again, the U.S. Department of Agriculture does not know what it is doing, and it is about time we on this floor told the Department just that in plain, unvarnished words by defeating this legislation.

Some of you will think—as I speak—that I speak strictly from the urban point of view. I acknowledge fully that my chief interests lie in urban groups, but I have at heart the interests of all Americans. In that connection I was most gratified to see that only last Friday the distinguished senior Senator from the State of New Mexico, Mr. CLINTON P. ANDERSON—himself a former Secretary of Agriculture—expressed many of the same opinions I long have held in farm matters. It is, indeed, most helpful to find Senator Anderson—an acknowledged expert in the field of agriculture—

taking essentially the same point of view that I have espoused over these many years of one farm bill after another.

I, for one, would be most interested in any thoughtful response the U.S. Department of Agriculture made to the words of Senator ANDERSON, but I think we all know that reply will not be forthcoming. We can expect, however, a response of "pie in the sky." We can expect, too, I am sure, some sort of idle estimate of all the horrors which would have been if the Department of Agriculture was not all wise. Heaven help us.

Just a year ago this month, I stood on this floor and predicted that the Department of Agriculture would be back this year to "nick the consumers"—as I believe I put it then.

I had hoped I would be wrong, but the U.S. Department of Agriculture—by sponsoring this legislation today—only has proven me right.

I find the wheat sections of this bill wholly repugnant, and I know many other Members feel the same way. I am fully aware of all the maneuvering that has been going on to try to make this bad bill palatable, but I am opposed to it no matter how our people are taxed to pay for it—whether by a bread tax or by a general tax.

Let us look at the background of this wheat certificate idea.

Back in May of 1963, the wheat farmers of this country said very loudly in a referendum that they did not want a certificate plan for wheat.

But, 16 months ago, the Department of Agriculture came up with a bread tax—a regressive tax—upon consumers of 75 cents a bushel, and that proposal passed this Chamber by a narrow vote. As a result of that vote, the consumers of this Nation have spent \$375 million in bread taxes—and by bread I mean all those other foods of which wheat is an essential part—pastries, macaroni, cake, and flour itself.

Not satisfied with that, the same Department then returned this year and proposed a still larger bread tax of \$1.25 on a bushel of wheat. That would shoot up food prices all the more. This would cost consumers \$625 million a year. Just think of it—\$625 million a year, and yet we are told this is not a big item.

Early this week, the opposition to that second bread tax reached such proportions that the managers of this legislation—and the U.S. Department of Agriculture—created a scheme to try to get out from under.

They proposed, in a makeshift arrangement, to charge that extra 50 cents of the bread tax to the Treasury—that is \$250 million.

Mr. Speaker, I do not care what they call this tax, or how they shield it. A tax of \$250 million is just that—whether by bread tax or general tax.

But, the planners of early this week still left in this bill that earlier bread tax of 75 cents a bushel. That is still a direct charge upon consumers of \$375 million.

Now—I have an important question: How can the backers of this legislation be for a partial bread tax?

Is the principle sound, or is it not?

How can they be for 75 cents in bread tax and 50 cents in direct tax? Which is correct?

My own answer is simple—neither is correct.

As I have said before, I speak not only from the urban point of view, but from a national position. I believe the wheat growers when they said in 1963 that they do not want a certificate plan for wheat.

But, the U.S. Department of Agriculture never is dissuaded apparently.

I ask: Who does want this legislation? Why? Farmers do not want it, consumers do not want it. Who is left? That is a rhetorical question which only the U.S. Department of Agriculture would be foolish enough to try to answer.

Now as to cotton. You all remember the tall stories of a year ago—cotton textiles would be cheaper, the cotton industry would be healthier. It all sounded too good. Many of us did not believe it. Would that still more of us had not believed it because it never happened.

Let us look at the figures. Total disappearance of cotton under the new program fell below expectations by 700,000 bales—that is 500 pounds to a bale—and below actual disappearance of the preceding year by 1 million bales. The carryover of cotton, now estimated at 14.2 million bales, is an increase of 2.1 million bales over a year earlier. The present stocks are only 200,000 bales under the all-time high record surplus of 1956.

We were told that last year's bill was an attempt to put into effect a one-price system for cotton. I agree wholeheartedly that we badly need a one-price system for cotton, but the remedy is not to pay out millions of dollars in double subsidies. The remedy is to lower the farm price support to the end that our own textile manufacturers will be able to buy cotton at more nearly the price at which foreign mills can buy it.

During this current year, we are paying out a billion and a half dollars in subsidies to textile mills. Now, today's bill would transfer that subsidy to cotton producers, who also do not want it.

I am against the principle of a double subsidy—for cotton or for anything else.

I am for the consumer in this area, too. You will remember those grandiose promises of 16 months ago—how cotton textiles would be cheaper. Well, cotton textile cloth is not cheaper, even after we have spent a billion and a half dollars for the cotton program in 1 year.

Mr. Speaker, this farm bill touches many other areas—all having to do with food and fiber.

Coming as I do from a small town in which much fruit is grown, I am forced to wonder why we have not spent billions to support the fruitgrowers. I am not advocating that expenditure of money, simply wondering.

But, I can tell you this. The fruitgrowers of my little town are doing very well, thank you, without Government subsidies. If the U.S. Department of Agriculture ever proposes subsidies for fruitgrowers—and I have come to expect almost anything from that Department—I can tell you that I will strenu-

ously oppose that, too, because I would not want to be guilty of handicapping my fruitgrower friends with a Government subsidy.

LAWRENCE F. O'BRIEN

(Mr. KING of California (at the request of Mr. ROOSEVELT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KING of California. Mr. Speaker, I include in the RECORD an article by Robert E. Thompson, appearing in the Los Angeles Times on Sunday, August 15, 1965, concerning the much esteemed Presidential aid, Lawrence F. O'Brien:

TOP KENNEDY, JOHNSON AID DUE TO STEP DOWN—PRESIDENTIAL ASSISTANT LAWRENCE O'BRIEN MAY RUN FOR SENATE FROM MASSACHUSETTS

(By Robert E. Thompson)

WASHINGTON.—As Congress strides toward adjournment, the door appears to be closing on the remarkable White House tenure of Lawrence F. O'Brien, last of John F. Kennedy's pre-1960 associates to remain in Lyndon B. Johnson's intimate service.

After nearly 5 years, O'Brien is expected to step down this autumn as special Presidential assistant in charge of congressional liaison.

He may enter private business or, more likely, he may seek his own political fortunes in Massachusetts, taking aim at the Senate seat now held by Senator LEVERETT SALTONSTALL, Republican, of Massachusetts.

LEAVES GOOD RECORD

But whatever his future route, O'Brien will leave behind a record of unprecedented accomplishment in his maneuvers between the executive and legislative branches of the Federal Government.

Working first with Mr. Kennedy and then with Mr. Johnson, he has since 1961 been able to win congressional approval for almost every major legislative objective of the New Frontier and the Great Society.

He also transformed the makeshift White House congressional relations operation of the past into a viable, permanent agency within the executive arm.

The task has been a difficult one. The pressures have been brutal.

While Mr. Kennedy lived, O'Brien was confronted with Congresses in which numerical Democratic control was highly deceptive. He constantly faced the turmoil of winning legislative victories against a powerful coalition of Southern Democrats and Republicans. Sometimes he lost.

HOLDS TOUGH JOB

With Mr. Johnson, he has been charged with conducting the congressional operations for a President who probably knows more about the inner workings of Congress than any other living man.

But, in the past year, there has been a new and more personally vexing pressure on O'Brien.

For his loyalty to Mr. Johnson has been interpreted by some of his close associates of the New Frontier as disloyalty to the memory of Mr. Kennedy.

While he has worked arduously to achieve legislative goals which were handed down to Mr. Johnson from Mr. Kennedy, O'Brien has been the target of bitter innuendo from individuals who once were his closest friends. But he has withstood the ordeal in soldierly fashion.

JOHNSON GRATEFUL

No man was more dedicated to Mr. Kennedy or more bereaved by his assassination. Yet no man who was deeply involved in Mr.

Kennedy's public life has done more to assist the late President's personally chosen successor.

Mr. Johnson is cognizant of the torment heaped upon O'Brien by old friends and allies. He also is appreciative of the services performed for him by O'Brien.

When he signed the Medicare law in Independence, Mo., on July 30 the President publicly described O'Brien as "the White House's best legislator."

When he affixed his name to the Voting Rights Act 2 weeks ago, Mr. Johnson summoned O'Brien to his side and threw an arm about him to demonstrate his appreciation.

These were not idle gestures. For Mr. Johnson knows, as do most Members of Congress, that O'Brien is closest thing to a political genius that the Democratic Party has discovered since James A. Farley.

He was the architect of the organization which helped Mr. Kennedy defeat Henry Cabot Lodge in the 1952 Massachusetts Senate race, to win an amazing reelection victory in 1958, to capture the Democratic presidential nomination in 1960 and to defeat Richard M. Nixon in the election of that year.

The handbook of Democratic organization which O'Brien wrote a few years ago has become the campaign bible for both parties. Senator Barry Goldwater admitted to O'Brien last year that he borrowed heavily from the handbook in charting his successful campaign for the Republican presidential nomination.

The fact that Goldwater could enjoy a friendly chat with O'Brien amid the heat of an acrid campaign was not unusual. For while O'Brien has been shrewd and tough in combat, one of the marks of his White House service has been that he has made few enemies.

A gregarious, articulate Irishman, O'Brien enjoys friendships on both sides of the aisle in Congress. It would be difficult, even after 5 years, to find a single legislator who bears personal animosity toward the director of the White House liaison operation.

HE OFTEN WINS

Yet O'Brien has defeated some powerful men on some vital issues, beginning with his successful move in January 1961, to enlarge the House Rules Committee and thus dilute the authority of its conservative chairman, Representative HOWARD SMITH, Democrat, of Virginia.

Even those who disagree sharply with the ideology of the Kennedy-Johnson administrations agree that O'Brien has helped put together a monumental record of legislative accomplishment.

Mr. Johnson, of course, has exerted tremendous personal persuasion on Congress, sparing no effort to win passage of his program. But he has counted heavily on O'Brien.

During O'Brien's years at the White House, Congress has established the Peace Corps and the Alliance for Progress. It also has approved such far-reaching measures as the nuclear test ban treaty, the \$1.25 an hour minimum wage, the International Trade Expansion Act, the \$11 billion income tax cut, the \$4 billion slash in excise taxes, the first Federal program of aid to education, Medicare, the war on poverty, aid to Appalachia, the Civil Rights Act of 1964 and the Voting Rights Act of 1965, and expansion of the housing, desalination, natural resources, health, and mass transportation programs.

With this record behind him O'Brien is considering returning to his native State to seek the Democratic Senate nomination and then run against Senator SALTONSTALL.

If he pursues this course, O'Brien could be in for the toughest battle he has faced.

A BILL TO REHABILITATE THE DISTRIBUTION SYSTEM OF THE RED BLUFF PROJECT AT TEXAS

(Mr. WHITE of Texas (at the request of Mr. ROOSEVELT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHITE of Texas. Mr. Speaker, with great personal satisfaction I am today introducing a bill to authorize the Bureau of Reclamation to undertake rehabilitation of the Red Bluff project in my home State of Texas. This work is urgently needed to restore vitality to a sizable area in the western part of the State. Congress has enacted comprehensive legislation in recent years designed to inject new life into Appalachia and other economically depressed areas of our affluent Nation. With the passage of legislation along the lines of the bill I am introducing, Congress would be making another solid contribution to our national goal of a balanced economy with equal opportunity for all.

The Red Bluff area includes portions of four counties situated in the Pecos River Basin. These counties are Reeves, Loving, Pecos, and Ward, and all are in great need of the area development assistance contemplated by rehabilitation of the water supply system in the Red Bluff area.

The known use of water from the Pecos River for irrigation dates back to 1877. Those who saw this area 40 years ago recall that it was a veritable garden in the midst of a vast desert. Today, one can only say that it is rapidly returning to the desert because the water available for irrigation has been unsuitable in quality and grossly inadequate in quantity. The Bureau of Reclamation plan for rehabilitation which this bill would authorize would greatly alleviate the situation. Unfortunately it is not possible to remove these problems entirely, but new hope can be given to the people who reside in these counties. Once again this garden in the west of Texas can be made to bloom.

In 5 of the last 10 years fewer than 5,000 acres have been irrigated under the Red Bluff project, and even these have had an inadequate supply. In 2 of the other 5 years fewer than 20,000 acres were irrigated, and the maximum acreage in any of these years was 29,800.

Of the water available in Red Bluff Reservoir today an average of only 45 percent reaches the land for irrigation because of seepage losses and transpiration by phreatophytes such as salt cedars. The Bureau plan of rehabilitation contemplates a concrete-lined canal to replace the present day use of the bed of the Pecos River below Mentone. As a result of this canal, engineers of the Bureau of Reclamation estimate that 75 percent of the available water would be delivered to the farms. It is estimated that this rehabilitation plan would increase farm deliveries of irrigation water by 67 percent, or 26,700 acre-feet annually.

With rehabilitation the Red Bluff project would provide a dependable water supply for 22,000 acres and an intermittent supply for an additional 13,000 acres. It is estimated that the quality of the water would be improved by 10 percent under this plan.

The fine people who live in this area realize that good management of their water resources will be necessary if their garden spot is to be successfully restored. Consequently, they are prepared to agree that their water supply will be used only on free-draining soils capable of sustained irrigation. They are prepared to assume this responsibility, and provision is made for it in the bill introduced today.

The people in the Red Bluff area also recognize that the benefits of rehabilitation should be spread widely over the area. As noted in the Bureau report the acreage to be supplied will be apportioned among the seven irrigation districts now existing under Red Bluff Dam. The bill provides that no individual land owner shall receive more water than that reasonably necessary to irrigate 160 acres of free-draining lands capable of sustained irrigation. This provision is wholly in keeping with the land limitation provisions of reclamation law.

The people in the area will rehabilitate the laterals at their own expense. In addition they are willing to have their repayment capacity reviewed every 5 years so that they will repay all that they can of the Federal investment.

In conclusion this bill will rescue the people of this fine area in west Texas from economic desolation. No legislation could have a more worthy and urgent objective.

THE 1965 CAPTIVE NATIONS WEEK AND A SPECIAL COMMITTEE ON CAPTIVE NATIONS

(Mr. FLOOD (at the request of Mr. ROOSEVELT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FLOOD. Mr. Speaker, internationally as well as domestically, the 1965 Captive Nations Week observance achieved the greatest success on record. Since its inception in July 1959, and under the guidance of the National Captive Nations Committee here in our Nation's Capitol, the week has progressively grown and attracted the thoughts and energies of broad sections of our society. As the examples attached to my remarks will show, the week's observance has made an impact on a number of foreign countries.

This steady growth of interest in and dedication to the freedom of the captive nations in Eastern Europe, the U.S.S.R., Asia, and in Cuba intensifies the need for a Special House Committee on the Captive Nations. It provides a broad basis for the appeal of such a committee and indicates the enormous amount of work that has yet to be done in enlightening free world opinion as to the breadth and

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HIGHLIGHTS: House debated farm bill. House received conference reports on Foreign Aid authorization bill. State-Justice-Commerce-Judiciary appropriation bill. Senate debated bill to expand poverty program. Sen. Moss introduced and discussed sugar bill.

HOUSE

1. FARM PROGRAM. Continued debate on H. R. 9811, the farm bill. pp. 20139-88, 20219-20

Agreed to an amendment by Rep. Poage to the cotton title of the bill which he stated would allow reapportioned cotton acres to cross county lines; limit the right of open-ended production to those who are presently growing cotton and who have an allotment; provide that all cotton farm under one ownership must have the same status with regard to receipt of payments; and provide that payments on farms receiving reallocated acres shall be based on the domestic allotment as all payments are based. pp. 20175-88

Rejected the following amendments:

- By Rep. O'Brien, 89 to 105, which he stated would make clear that a bona fide farmer, engaged in selling milk at retail in his State, or within a Federal milk marketing area, or in the vicinity of his farm, shall not be subject to the provisions of the Agricultural Adjustment Act of 1937. pp. 20142-54
- By Rep. Findley, to provide that the support price for shorn wool shall not be lower than 75 percent of parity (rather than 77 percent as provided in the bill. pp. 20154-9
- By Rep. Quie, 35 to 76, which he stated would provide that "the 100 percent of support for payment in kind for feed grains would remain for that marketing year." pp. 20164-6
- By Rep. Findley, 28 to 78, to provide that feed grain certificates redeemed by CCC shall be valued at not less 105 percent of the current support price (rather than current support price). p. 20166
- By Rep. Findley, 52 to 66, to reduce the period of authority for the feed grains program from 4 years to 2 years. pp. 20166-7
- By Rep. Michel, 43 to 79, to provide that total diversion and price support payments on feed grain acreage to any producer shall not exceed 20 percent of the fair market value of the acreage diverted by such producer. p. 20167
- By Rep. Quie, to strike out of the cotton title of the bill the provision for sale and lease of allotments. pp. 20170-5

Rep. Divine inserted a speech by Ronald Reagan discussing various subjects, including criticism of the farm program. pp. 20197-200

2. FOREIGN AID. Received the conference report on H. R. 7750, the foreign aid authorization bill (H. Rept. 811)(pp. 20132-9). As reported the bill extends the foreign aid program for one year and limits the aggregate appropriation authorization to \$3,360,000,000. Also, it prohibits the sale of surplus agricultural products under Public Law 480 to the United Arab Republic unless the President determines that such sale is essential to the national interest. Rep. Ottinger commended the extent to which American business has become involved in the foreign aid program and inserted an article, "Foreign Aid Wins Business Favor." p. 20219
- Rep. Schmidhauser inserted an article, "Wrapping Up United States Aid to China," reviewing and commending economic assistance to the Republic of China on Taiwan, including assistance under Public Law 480. pp. 20221-3
3. STATE-JUSTICE-COMMERCE-JUDICIARY APPROPRIATION BILL. Received the conference report on this bill, H. R. 8639 (H. Rept. 807)(pp. 20131-2). This bill includes items for contributions to international organizations and for the Bureau of Public Roads for the Federal highway program, including forest highways.
4. HOUSING. Conferees were appointed on H. R. 6927, to provide for the establishment of a Department of Housing and Urban Development (p. 20132). Senate conferees have not yet been appointed.
5. LABOR STANDARDS. The "Daily Digest" states that the Education and Labor Committee voted to report (but did not actually report) "H. R. 10518, regarding Fair Labor Standards Act Amendments." p. D813

be withdrawn, and the program administered by economic officers and, where military aid is involved, by military officers attached to the U.S. diplomatic mission.

The House bill did not contain a comparable provision.

The managers on the part of the House receded with an amendment that removed the criterion of a program of \$1 million or less in any fiscal year as the basis for the withdrawal of personnel administering such economic or military assistance programs. In place of this rigid figure, the committee of conference inserted a provision that reductions in personnel should be undertaken "wherever practicable, especially in the smaller programs." The committee of conference is emphatic in seeking to reduce the size of our AID missions, particularly those in the smaller programs. It recognized that some progress has been made in this direction but believes that further progress is possible without impairing the effectiveness of our programs and, at the same time, resulting in a reduction of administrative costs. By the removal of the \$1 million figure, the committee expects that the Administrator of AID will examine programs in all the countries, particularly the smaller countries, with a view toward achieving further economies in money and personnel.

ADMINISTRATIVE EXPENSES—SECTION 302(i)
(HOUSE—SEC. 302(h); SENATE—SEC. 302(h))

The House bill amended section 637(a) of the act to authorize an appropriation of \$53,240,000 for administrative expenses for fiscal year 1966.

The Senate amendment authorized an appropriation of \$55,240,000 for the same purpose.

The Senate receded with an amendment providing an authorization for an appropriation of \$54,240,000.

MILITARY SALES—SECTION 302(k)
(SENATE—SEC. 302(j))

The Senate amendment added a new section 640 to the act, excluding military sales from several provisions of the act prohibiting U.S. assistance.

The House bill did not contain a comparable provision.

The managers on the part of the House accepted the Senate language. They regarded the Senate provision as being a formal statement of the policy that sales of military equipment and services for dollars or on credit terms within limits accepted as being normal for commercial transactions were not subject to certain restrictions applicable to grant aid, which policy has always guided the Department of Defense. Military sales are subject to the restriction that sales may be made only to friendly nations when the President finds that such sales will strengthen the security of the United States and promote world peace.

It was the understanding of the managers on the part of the House that this authority would apply only to bona fide sales for value as defined in section 644(m) of the act to purchasers judged to be capable of making payment in full under reasonable credit terms. Any transaction, although technically a sale, where prospects of payment were in doubt or for currencies not needed by the United States would involve an element of grant assistance and would be subject to all of the restrictions relating to grant aid.

It is in the interest of the United States that the forces of friendly nations, on which we rely either to contribute to the common defense strategy or to defend against internal subversion, should be adequately equipped. It is better that equipment be supplied on a sales rather than a grant basis. It is not to our advantage to impose the same conditions on nations ready and willing to buy that we do on recipients of grant aid.

LIMITATION ON AGGREGATE AUTHORIZATION FOR FISCAL YEAR 1966—SECTION 303(d) (SENATE—SEC. 303(d))

The Senate amendment added a new section 649 to the act, which limited the aggregate authorization for an appropriation for fiscal year 1966 to the sum of \$3,243,000,000.

The House bill contained no comparable provision.

The managers on the part of the House receded with an amendment, limiting the aggregate authorization for an appropriation to \$3,360,000,000.

This sum must be measured against the Executive appropriation request for fiscal year 1966 of \$3,459,470,000. The latter figure includes amounts specifically authorized in this bill as well as the Executive appropriation requests against sums previously authorized for the Development Loan Fund, the Alliance for Progress, and for State Department administrative expenses. As a result of adjustments in amounts made in this bill for specific programs, together with those previously authorized and for which the Executive is requesting appropriations, the comparable figure is \$3,457,670,000. The effect of the ceiling imposed by this section of the bill is to reduce the total Executive program by \$97,870,000. It is left to the judgment of the Executive to effect reductions that will bring the programs funded by this act within the limit imposed by this section.

The managers on the part of the House strongly objected to the imposition of an overall reduction on the authorization for foreign aid rather than cutting individual authorizations. The committees of the Congress as a result of their hearings on the program should be sufficiently informed as to the merits of the various segments of the program to exercise judgment as to the places where cuts are justified. To impose a reduction in the overall ceiling on the total authorization, leaving discretion as to where the cuts will be made, is an abdication of responsibility by the Congress.

The individual authorizations approved by the House and Senate differed by such small amounts that there was no practicable way to compromise, adjust, and distribute an overall reduction of the magnitude of the cut provided in the Senate amendment other than to impose a similar limitation on the funds authorized.

PROPOSALS FOR 2-YEAR AUTHORIZATION AND FOR TEMPORARY PLANNING COMMITTEE

The two most troublesome issues in conference arose first from a number of provisions in the Senate bill which in total had the effect of authorizing the aid program for a period of 2 years; and, second, from the so-called Morse amendment calling for termination by June 30, 1967, of the foreign aid program as presently constituted and for a thorough review by a Planning Committee to determine the nature of any aid programs that might be continued after June 1967.

As conference discussions continued, it became apparent that although the House conferees could not agree to a blanket 2-year authorization under present conditions, they were not irrevocably opposed to authorizing foreign aid funds for longer than a year regardless of circumstances. There was general agreement also that many of the shortcomings of the foreign aid program which have evoked public criticism are basic and cannot be corrected merely by improvement in administrative procedures or in the quality of personnel.

It was the consensus of the committee of conference that there have been so many changes in the world situation since 1961 that a most careful, overall review of the basic premises behind the foreign aid program is overdue.

After protracted discussion of the issues involved in the 2-year authorization and the Senate provisions relating to termination of the program as constituted and the creation of a Planning Committee, the Senate conferees reluctantly agreed to recede.

While appreciating that conferees cannot bind their colleagues in subsequent sessions of the Congress, the House conferees, in view of the action of the Senate conferees agreed to include the following expression of informal understandings in the statement on the part of the managers:

1. During consideration of the Foreign Assistance Act of 1966, House members of the committee of the conference will urge their colleagues to examine with the greatest care such proposals as may be submitted authorizing foreign aid programs for 2 or more years. The House of Representatives has approved authorizations for various aspects of the programs for periods of 2 years or longer on a number of occasions in the past, and the House conferees are prepared to suggest the consideration of longer term authorizations, taking into account the demands on the U.S. budget and the nature of the world situation next year.

If 2-year authorizations were made, the authorizing committees of the House and Senate might direct their attention in alternate years primarily to a review of aid policies and an evaluation of operations rather than focusing on the programs submitted by the Executive for the year to come.

2. The conferees of both Houses urge the President to inaugurate a review of the aid program as presently constituted, seeking to direct it more effectively toward the solution of the problems of the developing countries.

3. Finally, the House conferees recognize that the willingness of the Senate conferees to recede on these provisions represents not an abandonment of the positions taken by the Senate, but an attempt to reach a reasonable compromise. This was done by deferring for 1 year decisions on Senate provisions calling for a long-term authorization. There will thus be opportunity next year for the Congress and the administration to examine in depth proposals for the improvement of the foreign aid program.

THOMAS E. MORGAN,
EDNA F. KELLY,
WAYNE L. HAYS,
BARRATT O'HARA,
W. S. MAILLIARD,
PETER H. B. FRELINGHUYSEN,
Managers on the Part of the House.

FOOD AND AGRICULTURE ACT OF 1965

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9811, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday it was agreed

that title I of the bill would be considered as read and open for amendment at that point.

The Clerk will now report the committee amendment as printed in title I of the bill.

The Clerk read as follows:

Committee amendment: page 4, line 3, strike out "Act" and insert "title".

The committee amendment was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been disappointed, disillusioned, and somewhat surprised at the turn that has been taken in this bill. The House Committee on Agriculture worked a long time trying to arrive at legislation which would improve the agricultural situation in this country. I think that most of us admit it does need some improvement. Now, particularly in the cotton section of this bill, which is, of course, one of the more controversial sections, the bill that was reported from our committee at least started in the right direction to make some corrections. One of the things that has happened in the last several years has been that we have had a program which has produced more cotton than we can use domestically or can have any hope of selling in the foreign markets. We passed a bill last year that, of course, the proponents felt would help to correct that situation. I was one of the few Members coming from a cotton section who voted against the cotton bill last year. At that time I made certain predictions. While I do not claim I am smart or know everything that is to be known about cotton, I think the prediction I made at that time has come true. At that time the bill was passed due to the pressure and the influence of the mills. They got a real bonanza out of that bill. They had promised before our committee—and the testimony in the hearings will substantiate this—the mill operators told us that the additional cost of this bill would come back to the consumer in the form of lowered prices. They also told us that there would be increased consumption. Well, they did have some increased consumption in the domestic market of around 600,000 to maybe 800,000 bales of cotton, but on the other hand we lost more in the export market and came up with a net loss and added 1 million bales to the surplus that we have.

We have had an attractive program for the producer, and this last bill was very attractive for the mills. I predicted more than a year ago—and I stand on that statement today—that by 1970 the people that will be producing cotton will be having to produce at least two bales of cotton to the acre and they will have to be willing to sell that cotton on the basis of 25 cents. If they do not do that, they are going to be out of the cotton business.

This bill we had which was reported from the committee would have gone in that direction. In the past we have had, and for the benefit of those who are not familiar with cotton production, we have had what we call a release and reapportionment procedure in the law permit-

ting people who had cotton allotments, which were based on history—every person who had grown cotton had an opportunity to have an allotment and to grow it. Many of those people or a great number of people with small allotments did not want to grow cotton.

But their allotment was valuable to them because it added to the value of their land, so they would release their allotment of cotton and those allotments would go to people who had allotments and who wanted to expand their production. That might be all right, because we confined the release to the State in which the cotton allotments were. We did not allow them to cross State lines. But we did have this situation, that in many areas of the country in some States, we would have cotton allotments that were on land which yielded half a bale of cotton to the acre, and when they released the cotton allotment, it was not grown in the county where released, but was reapportioned and grown on land where the yields were much larger.

(Mr. JONES of Missouri's time having expired, he asked and was given permission to proceed for 2 additional minutes.)

Mr. JONES of Missouri. In the Cotton Belt, where cotton is grown, there are 1,049 counties—468 of those 1,049 counties released cotton which was not wanted by the growers in that county, and that cotton acreage was subsequently released to the State committees and was allocated to people who wanted to grow more cotton. In other words, almost 500 counties out of 1,049 had no restrictions on how much cotton they could grow. But in releasing this cotton from low-yield counties, it was transferred to high-yield counties. Last year there were 1½ million acres of cotton allotments released and reallocated to producers in other counties. I would say that in every instance, or at least in practically every instance, it went to higher producing areas. In some instances, it went from areas that were producing only half a bale and went to a producer who was producing two and three bales of cotton to the acre. That cost the Government money in two ways. In other words, we piled up this surplus that we still have today; we have next to the largest surplus we have ever had in this cotton area. We also know that every time the Government supports cotton at a higher price than it can be sold for, it goes into loan and the Government takes a loss; at least, it has in many instances. During the early part of the program, it was not true. When we get to the amendments that are going to be offered to this section, I will have more to say about it. But I want you to think over this afternoon the amendments that are going to be offered to this cotton section. They are going in the wrong direction. They are not going to correct the situation one iota. They are going to make the situation worse and I will tell you why when the amendment to which I have referred is offered.

Mr. JONAS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. JONAS asked and was given permission to revise and extend his remarks.)

Mr. JONAS. Mr. Chairman, the bill under consideration contains many provisions which I do not approve and cannot support. However, I understand that amendments will be offered which, if adopted, will substantially improve the bill. I hope that the bill will be so improved, following action by the Committee of the Whole this afternoon, so that a majority of the Members of the House can vote for it on final passage.

Mr. Chairman, I am not going to discuss the wheat title, the feed grains title, or the other titles that are in controversy. Considerable debate occurred yesterday on those titles and additional debate will occur this afternoon as amendments are offered.

Therefore, Mr. Chairman, I have elected to confine my comments to a discussion of the effect which this bill will have on one-price cotton.

Mr. Chairman, I do not believe many Members contend that it is fair or equitable for the Federal Government, by legislative enactment, to make it possible for foreign competitors of domestic textile mills to buy American-grown cotton at one-third less than the American mills have to pay for that same cotton.

Mr. Chairman, in order to try and bring into sharp focus the reason why I think it is important for us to continue to maintain a one-price cotton system, I am going to reduce my comments to a few specific points. I do not believe they need elaboration or need argument, because I believe their mere recital makes approval of one-price cotton compelling.

Listen to these points:

First. By any standard used, the cotton textile industry is one of the most important industries in the United States. Approximately 1 million men and women derive their livelihoods directly from this industry, and if you include all allied activities the number goes up to 9 million—approximately one-eighth of the entire work force of the country.

Second. Last year the outlay of capital for plant and equipment to modernize and expand the textile industry amounted to approximately 17 percent total net worth, as compared to an average of 9 percent for other major industries. Textile mills last year spent around \$760 million for new plant and equipment, and the Department of Commerce estimates that such expenditures will be close to \$1 billion in 1965. When based upon net worth, the textile industry is presently spending more for capital improvements than any other major industry in the country.

Third. Since late 1963, there have been three wage increases of 5 percent each for textile workers, all attributable to the conversion from two-price to one-price cotton. The first increase came in anticipation of one-price cotton and the last two following the enactment of the legislation which brought the new system into effect. In the short period of 18 months, textile employees have received more than \$500 million through wage increases, and this does not take

fringe benefits into account. During the year, following the advent of one-price cotton, employment in textile mills rose by 30,000 workers.

Fourth. American textile manufacturers are captive users of American grown cotton. Since 1939 U.S. imports of raw upland-type cotton have been restricted to 30,000 bales yearly—less than 1 day's supply of U.S. textile mills. Thus the American textile manufacturer has not been able to take advantage of foreign produced cotton which sells on the world market for approximately one-third less than the mills have to pay for the cotton they are required to use.

Fifth. Despite the fact that foreign competitors of domestic textile mills have the advantage of purchasing cotton in the world market at about one-third less than American mills have to pay for their cotton, and despite the fact that foreign textile producers enjoy another substantial advantage over American competitors in substantially lower wage rates, in 1955 Congress enacted legislation which greatly increased the competitive advantage enjoyed by foreign competitors of the American textile industry. I refer now to legislation which required the U.S. Government to sell American grown cotton to foreign competitors of the American textile industry at world prices—approximately one-third less than our own mills had to pay for that same cotton. This was accomplished through an export subsidy which amounted to approximately \$42.50 a bale for every bale of cotton exported from this country. This subsidy this year amounts to approximately \$120 million—all for textile manufactures abroad—to help them put our own mills out of business. This is adding insult to injury.

Sixth. Much of this cotton sold abroad under the export subsidy comes back into the United States in the form of manufactured textile products which easily undersell American-produced textiles in our own markets because of these substantially lower costs of raw material and labor.

Seventh. Every possible effort has been made by the U.S. textile industry to avoid the adverse impact of this unfair competition:

The Secretary of Agriculture was petitioned to impose quotas on imports but such petitions were denied; amendments were offered to legislation which would have imposed import quotas but they failed of adoption; several efforts were made to seek relief through the U.S. Tariff Commission but these efforts failed; other efforts were made at all legislative and executive levels of Government to obtain relief from what had come to be an intolerable situation, but the only relief this important domestic industry received was in 1957 when the Eisenhower administration worked out a 5-year plan for voluntary control of Japanese export of cotton textiles into the United States; other foreign textile producers moved into that vacuum and the beneficial results of the Japanese agreement were soon nullified; the other relief came in the form of legislation sponsored by the late President Kennedy which was signed into law on April 11,

1964. It is known as the Agricultural Act of 1964 and provided, among other things, that thereafter domestic textile producers would be permitted to purchase American-grown cotton at approximately the same price it was being sold by the Government to foreign competitors. Thus came into being the one-price cotton system which the bill before you today seeks to extend for 4 more years.

Eighth. This has been alleged to be a mill subsidy, but I contend it is erroneous to label it as such. The legislation now on the books simply enabled the American textile manufacturer to purchase his cotton at the same price the American Government was selling cotton abroad to his competitor. The mills did not seek or want these equalizing payments to be made to the textile manufacturers but a decision by the Secretary of Agriculture directed that the payments be made to the manufacturer. These payments have been substantial and have led to the oft-repeated charge that the Government is subsidizing the American textile industry. Even if this were true, which the facts do not support, the textile industry is supporting the one-price cotton section of this bill which provides that the equalizing payments shall hereafter be paid to the producer and not to the mill. So to those who continue to argue that this was a mill subsidy, I submit that this is one of the first if not the first instance in which the recipient of a subsidy is urging the Government to eliminate it. Let me emphasize that the American textile industry does not want a subsidy from the Federal Government. All it wants is the opportunity to continue to purchase American grown cotton at the same price the Government sells American grown cotton to foreign competitors of the domestic textile mills.

Ninth. It is beyond my comprehension how anyone could contend that there is any fairness in a program which permits foreign competitors to buy American grown cotton at nearly one-third less than it costs our own mills to buy that same kind of cotton. The only way to prevent going back to that system is to continue the one-price arrangement which is authorized under this bill.

I certainly hope, whatever happens to the bill, the membership will agree to maintain this one-price cotton system which is the only salvation for the textile industry in the United States.

Mr. HALL. Mr. Chairman, on April 6 of this year I introduced H.R. 7164 known as the Cropland Restoration Act of 1965. This bill and the new policy it would implement represents many months of research and in my opinion the best—and only workable—solution to the myriad of problems evidenced here in the past 2 days of debate, that beset the American farmer. It would, perhaps, be expecting too much for a totally new or even a retreaded but improved and modernized concept such as this, to be enacted into law during the same year it was presented. Indeed, I am grateful for the progress that has been made. The Cropland Restoration Act of 1965 is based, to a very large de-

gree, on the book "Our Margin of Life" written by Mr. Gene Poirot of Golden City, Mo. Gene is a true son of the soil, a master farmer, a successful farmer in his own right, as well as a brilliant author. Copies of his book were distributed to Members of Congress earlier this year.

H.R. 7164 is based on the assumption that production of excessive supplies of food and fiber constitutes improper land use, is wasteful of our natural resources, and depresses prices and the income of farm families. It would attack this dilemma by creating a market for restoring the national cropland in direct proportion to the rate it is being used and depleted, and to bring the supplies of farm products into line with current demand in order to, first, encourage the farmer to return to the soil that margin of life which has been taken from it in the production of crops; second, increase per family farm income; third, decrease the public costs of maintaining farm programs; and fourth, preserve the high nutrition and quality of food and fiber at reasonable prices for the consumer.

To effectuate the purpose of the act, programs would be established to assist farmers in first, diverting a portion of their cropland from the production of excessive supplies of farm commodities; and second, carrying out a voluntary program of soil, water, forest, and wildlife conservation.

In June Mr. Poirot came to Washington and the gentleman from Texas [Mr. POAGE] graciously accorded him an opportunity to appear before the House Agriculture Subcommittee on Conservation and Credit, to explain his theory and its applicability to the overall farm problem. I think the members of that subcommittee who were present will agree that Mr. Poirot was a forceful, convincing speaker with a great depth of understanding and a great perception about not only our present farm problem, but the problems of the future with an exploding population and the need to insure that our soil will be capable of meeting those demands for food and fiber.

Mr. Poirot also met with the new Under Secretary of Agriculture, Mr. John Schnitzker.

Although it was understandably not possible to consider H.R. 7164 during this present session, the theories it expounds and the solution it offers are unchanging. The only difference is that another year will have passed and the basic problems will be that much more pressing. We must stop mining our soil at a deficit replenishment rate of 7 to 1. We do not need to procrastinate another 4 years.

The bill now before the House takes partial note of these problems in title VI by instituting a cropland adjustment program. It does provide for long-term diversion of land, including total farm units and lump-sum payments; and it will, no doubt, bring about desirable changes in land use as well as expand recreation resources and wildlife habitat, reduce stream pollution, raise water levels, increase reforestation, better root structure, enhance management prac-

tices, and improve the scenic state of the countryside. But by failing to include real incentives for cropland restoration, it falls far short of what should and must be our goal.

My bill, Mr. Chairman, provides the producer a second market and four annual options. The committee estimates that the program may be built up to about 40 million acres within 5 years. If we go one step further and adopt the provisions of H.R. 7164, the maximum land diversion is anticipated at an immediate 60 million acres, based on volunteer samplings in highly productive areas, so the program is not beyond reach. What the proposed program fails to do, is to provide the proper incentives that will give the farmer a choice between producing for the market on the basis of supply and demand, or producing for cropland, water and soil restoration market to be established by the Secretary of Agriculture. He should be delighted with this shift of decisions, elimination of surplus, better consumption, and more income for the producer. I commend it to the House Committee on Agriculture for consideration in 1966.

AMENDMENT OFFERED BY MR. O'BRIEN

Mr. O'BRIEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'BRIEN: Strike out section 104 and insert a new section 104, as follows:

"SEC. 104. Such Act is further amended by adding to subsection 8c(5) the following new paragraph:

"(I) Milk produced and sold directly at retail in the marketing area, State, or vicinity in which the farm producing such milk is located by the bona fide producer thereof, who does not engage directly or indirectly in any capacity in the interstate purchase of milk from producers, or the handling thereof, shall not be assessed, apportioned or allocated under any agreement or order pursuant to the Agricultural Marketing Agreements Act of 1937 as amended."

(Mr. O'BRIEN asked and was given permission to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Chairman, during my 14 years in Congress, I have never proposed, before today, any amendment to any farm bill.

I hesitate to do so now because of my respect for the distinguished gentleman handling this bill, but I am impelled to do so by deep feelings on the subject covered by my amendment.

The amendment is designed to make clear that a bona fide farmer, engaged in selling milk at retail in his State, or within a Federal milk marketing area, or in the vicinity of his farm, shall not be subject to the Agricultural Adjustment Act of 1937, as amended.

The requirement that the farmer be bona fide is to insure that the farmer, in fact, owns and controls the cows and the farm on which the milk is produced, and to insure that dealers who have no association with farming, and particularly interstate organizations, cannot qualify, even indirectly.

The farmer for whom the amendment is intended is the farmer selling milk in his area, usually in competition with larger interstate retailers.

I assume that a number of my distinguished colleagues are wondering why a man from Albany, N.Y., with only a few dairy farmers in his district, is appealing to them for support of such an amendment.

Three years ago, a respected farmer in my district named Jesse Stalker found himself in the headlines and his farm and all he possessed in jeopardy because the great U.S. Department of Agriculture demanded a penalty from him of \$20,899.90, in a year in which his total income from the care and milking of 175 cows, and from selling his product to retail customers, was \$9,318.28.

And what was the sin of Jesse Stalker? What great felony did he commit? His unforgivable sin was that on three occasions, when he did not have quite enough of his own cream to supply his customers, he purchased cream from a dairy and took it home in a 20-quart can instead of in 10 containers of two quarts each.

Whose was the real sin? Perhaps it was ours, the Congress, which gave dictatorial power over the Jesse Stalkers of the land to the Department of Agriculture.

Perhaps it was the Department bureaucrats whose minds give the sanctity of the 10 commandments to each little quirky regulation they conceive.

Whether the fault was ours by omission, or that of the Department by commission, we have an opportunity today to make sure it does not happen again.

Some of you come from States like North Carolina, part of Massachusetts, or elsewhere, where you do not have Federal milk marketing districts. You may say it could not happen there. But it could. New Federal districts may come into being and the farmers-dealers of your area may look back to the time when you had a chance to strike a blow for the little fellow—and did not.

You will be told that my amendment might cripple milk marketing orders. Nonsense. Even in places where there are no restrictions on the Jesse Stalkers, their total share of the milk market is less than 1 percent.

You may be told that if we remove the heavy thumb of bureaucracy from this small group, other farmers, who are not dealers, will suffer.

If so, why have I been deluged with calls and visits during the past week from countless farmers, from a score of States, who are not dealers, urging me to persist with this amendment?

Why did the president of my own county farm bureau, who is a producer only, urge me to make this fight? I will tell you in his own words:

This country is still big enough for everyone, and that includes the little Jesse Stalkers in the dairy industry.

If I have to build my success upon the ruins of these small dairy farm enterprises, it is time that I and many other farmers like myself consider another business.

In other words, the farmers of this Nation are not economic cannibals.

I could din your ears with statistics, but as I said before, I am not a farmer, nor a farm spokesman. Others will fill in the chinks of my argument.

I came to this well today, Mr. Chair-

man, only to plead with my friends in the Congress either to do something for the little fellow when we have a chance, or stop using him as an argument in our future endeavors.

I came here to speak for all the Jesse Stalkers of our land and, through justice for them, demonstrate that no agency of Government is big enough to destroy the least of us wantonly and recklessly.

Mr. HAGEN of California. Mr. Chairman, I rise in opposition to the amendment.

At the outset I wish to say that I respect the concern of the gentleman from New York for what would ideally be a small farmer who was selling only his own milk. We shared that concern in our committee. We believe we have given that small farmer the kind of protection to which he is entitled.

I might point out that the State of New York was one of the first States in the Union—long before the Federal Government—to have a milk control law.

The basic purpose of these milk control laws is not necessarily the protection of the farmer but rather the protection of the consumer—to guarantee a supply of a vital, necessary food at a reasonable price and of a wholesome quality.

We heard many witnesses on this subject of the treatment of the so-called producer-handler. They were from all over the country.

I would say that the producer-handlers who would seek the kind of amendment the gentleman from New York [Mr. O'BRIEN] has offered are a minority. The bulk of them are satisfied with the language we have in the bill and the language we have in the report, which says that this bill does not change their position with respect to milk-marketing orders one whit. Their position will be unchanged by this legislation. On the other hand the gentleman seeks to use this bill as a vehicle to change existing law and put in potential jeopardy all existing milk orders.

I am not so certain that Mr. O'BRIEN himself would really want adoption of this amendment. This amendment refers to milk, not to the producer or handler of it. I can conceive, under it, that a man might be in a double capacity. He might be marketing his own milk and buying milk. He could qualify as a producer-handler on all his sales so long as he did not buy milk interstate and could qualify for his own milk even if he bought interstate. The amendment, in effect, says that with respect to his own milk he would not be covered but with respect to other interstate milk only he would be covered. This would permit Borden or Foremost or any one of these big monopoly outfits to get into a mixed or double position. Believe me, if they could do that they could run those small farmers—in whom Mr. O'BRIEN is sincerely interested and in whom we are sincerely interested—entirely out of business.

That is the vice of the amendment which has been offered, as I see it.

In considering this problem, we considered the fact that traditionally these producer-handlers have been exempted. We intend that they continue to be ex-

empt so long as they do not get so large in volume, either as individuals or in the aggregate, that they destroy the welfare of other farmers and disrupt the purpose of the marketing agreements and orders, which is to protect the consumer by insuring a quantity of wholesome milk at a reasonable price.

We felt that this kind of amendment would destroy the total purpose of the program. For that reason we rejected this and similar amendments, and adopted the language in the bill, which says we are not changing their position. We wrote the language in the report, which says that we recognize that an ideal small producer-handler should be exempted but that conditions might arise in which all producer-handlers should not be exempted.

I submit that the amendment should be rejected.

Mr. OLSON of Minnesota. Mr. Chairman, I rise in support of the amendment and move to strike the requisite number of words.

Our distinguished chairman of the Dairy and Poultry Subcommittee is correct when he says that we have sought to place language in the report that will not affect the status of producer-handlers in any way by the action we take in the legislation before us today. This is correct, and I certainly would not want anyone to get the idea that I did not agree. We worked hard to do that.

I believe Mr. O'BRIEN's amendment tries to assure justice for those small farmers who seek to sell their own milk.

I have with me the evidence from Department of Agriculture statistics which prove that only 1 percent of the milk picked up at the doorstep, so to speak, in this country is delivered by the producer-handler. That is all this volume amounts to. I believe in the legislation we are discussing today we ought perhaps to take a look at some of the States which have similar laws within their States. I just want to call the attention of my colleagues to a telegram from the State of Georgia in which the chairman of the Georgia Milk Commission says:

Producer-handler bases not regulated by Georgia Milk Commission's Class 1 pricing system since they are in a position to regulate themselves.

I have a wire here from the State of California which reads:

Present pooling and contract procedures in California permit a processor, also a milk producer, to keep the benefit of his class 1 sales. If he produces all his supply, he does not "share" with others since California has no market pool. If he buys part of his milk from others, the contract procedure effectively permits him to pay himself 100 percent class 1 and allocate non-class-1 uses to his other suppliers.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. OLSON of Minnesota. Yes. I yield to the gentleman.

Mr. COOLEY. I had a very distinguished delegation of dairymen from Massachusetts visit me here. I was very much impressed with their problem and their sincerity, but my recollection is, all they wanted was to be left alone. If I understand it, that is what we have done in this bill. We have left them out. You

agree that they are left out and are unmolested and not interfered with. I ask the gentleman from California [Mr. HAGEN] the chairman of our Dairy Subcommittee, is that right? Are they not left out entirely?

Mr. HAGEN of California. This bill does not change the position of producer-handlers at all, as the gentleman from Minnesota knows.

Mr. COOLEY. That is what I said.

Mr. OLSON of Minnesota. I agree with you that we tried to insure that they would be unaffected, but we went to the report to try to do it. I am speaking to Mr. O'BRIEN's amendment and what I feel he is trying to accomplish. One percent of the milk is marketed in this fashion. If this in any way precludes a monopoly of all the milk sold to people who pick it up on their doorstep, then in good faith I could not remain silent on this amendment. That is all I am doing.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. OLSON of Minnesota. Yes. I yield to the gentleman.

Mr. HAGEN of California. We think we accomplished the same thing with the language in the bill and the report.

Mr. OLSON of Minnesota. Then, you have no objection to the amendment?

Mr. HAGEN of California. The gentleman would not want to create such an open door exception that it would completely ruin the existing marketing programs.

Mr. OLSON of Minnesota. It is not an open door.

Mr. HAGEN of California. This just refers to milk. A man could market his own milk. He also could buy other milk and sell it as long as he did not get it interstate. He could do this without losing his exemption. He could be the Borden Co. As long as he did not go interstate in buying other milk, he would qualify. If you will read this amendment, it leaves the door wide open to the Borden Co. or the Foremost Dairies or any outfit to become a producer-handler as long as they did not buy interstate.

Mr. OLSON of Minnesota. I am only stating my position on the O'Brien amendment.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. OLSON of Minnesota. I yield to the gentleman.

Mr. STALBAUM. Did I understand the gentleman from Minnesota to state that there is a limit on the amount of milk under this amendment?

Mr. OLSON of Minnesota. There is a limit to the degree that he must be a producer of this milk.

Mr. STALBAUM. But the gentleman will agree there is no limit as to how big he must be as a producer.

Mr. OLSON of Minnesota. He must produce his own milk. How many cows will it be? I ask the gentleman.

Mr. STALBAUM. It could be 2 or 3 or 5,000.

Mr. OLSON of Minnesota. Let us be realistic. I do not know of any such size herds. Do you?

Mr. STALBAUM. Yes. In Eugene, Oreg. That is the problem.

Mr. OLSON of Minnesota. I am not aware of any such size herds.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. OLSON of Minnesota. I yield to the gentleman.

Mr. COOLEY. Is not the gentleman a member of the Dairy Subcommittee?

Mr. OLSON of Minnesota. Yes, I am.

Mr. COOLEY. And was it not all fought out in the subcommittee and settled?

Mr. OLSON of Minnesota. I am only pointing out there is a difference of opinion among the members of the committee.

Mr. COOLEY. Do you not think there is nothing in the legislation that affects the people you are talking about?

Mr. OLSON of Minnesota. I made it very clear, Mr. Chairman, that I am speaking in behalf of the O'Brien amendment and not talking about what the legislation does at this point. I feel with respect to those who sell only 1 percent of the milk in this Nation who offer some competition that I should support this amendment.

Mr. ROBISON. Mr. Chairman, I rise in support of the amendment.

(Mr. ROBISON asked and was given permission to revise and extend his remarks.)

Mr. ROBISON. Mr. Chairman, I am happy to rise in support of this amendment offered by my able friend and colleague from New York, and I urge the Members to give it their favorable consideration.

For those of you who are not familiar with the background of this situation, let us take just a moment to remind ourselves exactly who is a producer-dealer or a producer-handler, if you prefer that term. Typically, he is a dairy farmer who produces his own milk for later sale at retail. We ought to stress this again, in connection with the colloquy we had just a minute ago. He produces his own milk, or practically all his own milk on land owned by himself, and he then sells it at retail either as milk or perhaps as a processed milk product, but he does the processing. Where does he sell these products of his? Normally, although there may be variations, he will sell them at a roadside stand or a dairy bar type of store located on his own farm premises.

How much milk do these people produce? In New York State, as pointed out by the gentleman from Wisconsin [Mr. STALBAUM] a few minutes ago, the answer is only 1 percent of all the milk produced in the State of New York. That is, indeed, small enough. But I think the point we have to remember, as the committee report mentions on page 14, where it comments on this type of operation, is that, with rare exceptions, the producer-dealer's own dairy cows are his sole source of supply for what he sells. He does not, therefore, contribute in any way to any surplus of milk or milk products.

It is for these reasons that he has generally been exempt under any existing Federal milk marketing orders from any requirement to pay into the so-called pooling fund. As long as he stays within the rules defining a producer-dealer, they permit him to retain his exemption as a producer-dealer.

It would appear to me from the report, and from what has been said here today, that the committee does not intend, if this bill is adopted with title 1 intact, to disturb this general exemption. But if this is the case, why not write it clearly into the law in order to remove any possible cloud of doubt left floating over the heads of these producer-dealers as to what their future status may be if a class 1 base-plan, with production controls and quotas, is adopted in their milk marketing area. And, as I understand it, this is all that the O'Brien amendment would seek to do.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. ROBISON. I yield.

Mr. STALBAUM. The gentleman from New York has made the statement that only in rare cases are they covered. Does the gentleman know of any instance where the actual producer-handler did not buy any outside milk or cream is regulated under the Federal Milk Marketing Act?

Mr. ROBISON. I do not. But we are legislating on a proposal that, subject to a referendum, may change the basic marketing structure in an order area if a class 1 base-plan is adopted. I think Mr. Girard, a witness for the U.S. Department of Agriculture, referred to this point during the hearings, and raised some question as to what would happen to a producer-handler if he were assigned a quota or base, and his retail sales exceeded that quota or base.

Mr. STALBAUM. The gentleman will agree that to his knowledge there never has been regulation by the Department of Agriculture over a producer-handler who did not buy any outside milk or cream.

Mr. ROBISON. The gentleman in the well would have to concede that he is not an expert in this area. But the answer is probably no. But let us keep that exemption secure under any change in the present marketing arrangements.

Mr. STALBAUM. Mr. Chairman, I rise in opposition to the amendment.

(Mr. STALBAUM asked and was given permission to revise and extend his remarks.)

Mr. STALBAUM. Mr. Chairman and Members of the Committee, as one who has sold milk for 14 years under a milk marketing order, as an executive of a dairy cooperative, I urge the defeat of this amendment.

Mr. Chairman, I do so with all deference to the gentleman from New York [Mr. O'BRIEN].

First, I believe it would be well to point out the actual intent of a milk marketing order. There are some 79 of these in the United States, intended to provide an orderly marketing of milk, and this is significant—an orderly marketing of milk.

Mr. Chairman, in nearly everyone of these so-called "ma and pa" dairy farms, if you want to call them that, they do bottle their own milk and have never been regulated by the Department of Agriculture, and there is no intention of regulating them now, because they are a minor factor on those particular markets.

However, Mr. Chairman, there comes a point when a producer-handler can be a factor, a very serious factor, a disturbing factor, in a milk marketing area. There are two such cases today in the United States, one in Seattle, Wash., and one in Eugene, Oreg., where producer-handlers—and these are not these little 20-, 30-, 40-cow herds we are talking about—have grown to the point that they represent 3, 4, and 5 percent of all the milk sold on those markets, entities—corporate entities—I believe which actually are milking thousands of cows.

Mr. Chairman, this is a question which I raise to the gentleman from Minnesota [Mr. OLSON]. I say to the gentleman from Minnesota that there are such operations in the United States today.

In the amendment which has been offered by the gentleman from New York [Mr. O'BRIEN], he has placed no restriction on the size of a producer-handler so long as he is not engaged in interstate commerce. So, along with the Jesse Stochers about whom he talks, who had been given an exemption to these large producer-handlers on the west coast, producer-handlers have grown to a size where the Department of Agriculture has had to take a second look at them. This is in litigation now in the courts where I feel it is a proper question for the courts to determine as to what should be done.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. STALBAUM. I yield to the gentleman from Minnesota.

Mr. OLSON of Minnesota. Under the Agricultural Act of 1938 there is no size placed on anyone in the Federal milk order, intrastate or interstate, they are exempt from the antitrust statutes. When the gentleman talks about this producer-handler getting big, I would point out this exemption of no limit on size whatsoever of the handlers of dairy products has allowed such giants in the industry that we are now witnessing their final drive to eliminate competition.

Mr. STALBAUM. No, we are not precluding competition under an order, because of the nature of the order act. But the point remains that when these people reach a point that they are a factor in the market, then, personally, I feel that this should be subject to regulation or because they are disrupting the market with reference to the producers in the area and disrupting the market of other handlers in the area. This is the area that has been looked at.

Mr. Chairman, if the gentleman from New York [Mr. O'BRIEN] had considered some type of poundage limitation, or a limitation on a small producer-handler, we would have an entirely different thing. We suggested this to the producer-handlers who appeared before the committee and they flatly refused to accept any limitation as to size.

Therefore, Mr. Chairman, this is where the problem develops. These are the type of people that the Department of Agriculture feels should be considered for regulation but which would be completely exempt if the O'Brien amendment were to be adopted.

Mr. Chairman, I urge the defeat of the amendment.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word in order that I may speak against the bill as it is written.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks and to proceed for 5 additional minutes.)

Mr. WHITTEN. Mr. Chairman, I have asked for this time to discuss this bill generally. I do so as chairman of the Appropriations Subcommittee which has the duty each year of getting appropriations through the Congress to pay the cost of price supports and other programs of the Department of Agriculture. I have had the privilege for about 15 years of reviewing each and every facet of the operations of the Department of Agriculture annually and of presenting the facts to you, with recommendation for funds. Perhaps I know better than anyone here just how hard it is to get money through the Congress for agricultural price-support programs—even though the total amount be far less than the consumer pays for minimum wage, for the cost of labor contracts where the increased costs are a part of the retail price; and thus not identifiable.

With all due deference to all our friends, I do not know of anyone who is happy with this bill. I have the highest regard for those who bring it here, even if there are many provisions that do not reflect their views; but in my opinion this bill is headed in the opposite direction to that in which we should be headed. With the match that might set the world on fire already lighted in Vietnam, can we afford to pay farmers to cut back production? We have only about a years' supply of wheat, a 3-months' supply of corn, about 5 percent of a years' need of dairy products. Is it smart to pay producers and farmers not to produce? I have said this bill is headed toward cutting supply and production, and in my opinion, it goes directly opposite to our best interest; though I know the bill does say if you can pay American costs and sell at world prices, Go ahead, if you can stand it.

I am about as much a farmer as the city Members here are. I left the farm when I was 14. I saw it was a hard way to make a living, too much work, too much investment, too great a risk, and too small a share of the consumer dollar.

Today we have 7 percent of the American people with great investments and great risks producing our agricultural commodities, freeing the other 93 percent to do these other things that make for our high standard of living. Many of you have not had occasion to read back as to the basis for price supports. It was not because some Department of Agriculture thought it was a form of relief or political distribution of checks at the time of election, but because it was found that a break in farm income led off the depression.

Today these few people engaged in farm production, substituting machinery and equipment for labor, provide about the biggest market for industry and labor. However, you can jeopardize industry and labor in two ways: First, by reducing the price that your farm producer makes; and there is a second way you

can do it, you can cut down his volume and you have done the same to him, yes, but you have also done that same thing to your market for our industrial output. We go around the world and say we recognize all of these things, to those who are short of food we say we are the great big brother to the world. Really now, can we do more for the world than to produce and let them buy what we can produce for what they can pay? Do you not think it absurd to pay the farmer cash to cut down his production and claim we are interested in those who would buy if we would be competitive?

Again, the American farmer may be as well off with money as if he produced, but how about those folks who handle his supply and production? What will happen to his community and the factories in our cities?

When we created the Commodity Credit Corporation to support the farm program we provided that they have a limit on the price at which they could sell commodities in the United States, so as to protect the farmers' share of the national income. The reason the farmer has to have protection is that you have minimum wage laws, you have the right of labor to organize, and to bargain so as to increase labor's share of the consumer dollar. I am discussing this in the objective; I am not here condemning such laws, but as long as you provide by law for these groups to take a bigger share of the consumer dollar you have to have some floor as to the price to be received by the raw material producer.

The Commodity Credit Corporation always had the right to sell what we had and did not need in the markets of the world for what they would bring.

For the many years when Secretary Benson was Secretary of Agriculture, the Department of Agriculture held our supplies off the world market and refused to use existing provisions of law to sell what we did have for what the traffic would bear in the market places of the world, so that these folks that we claim we are for would have a chance to buy them.

Our committee had an investigation that found that the folks the Department was listening to were American international merchants who were determined to hold our supplies above competitive prices, so as to hold an umbrella over world production in which they were heavily interested.

Finally, we got the Department to offer these surplus commodities at competitive prices; and to the Department's apparent surprise they sold like hot cakes.

May I digress to say, you do not lose money when you sell something you have, and do not need, for what it will bring. You have made money if you do that. When you are trying to protect the farmers' income in relationship to the cost of what he has to buy, it may be that your price support level has to be above world prices; but you have not lost anything when you convert surpluses into money for as much as you can get in the market places, as every other country does.

We finally got the Department to sell everything competitively in world trade, except cotton. The international cotton merchants are most effective people, working through the governments of foreign countries. Finally, the committee said, We are not going to recommend to the Congress any money to control acreage on any commodity that you will not keep on the counters of the world for sale at competitive prices. The Department finally realized what that would mean and officials of the Department sold a million bales of cotton in world trade in less than 5 weeks; they sold 7 million bales the first year and 6 million bales the second year. Then they quit being competitive again, and sales dropped down to 2.8 million bales.

Congress then passed a law saying that you must keep cotton on the counters for sale in the markets of the world at competitive prices, after determining what our fair share of the world market is. That is the law today. Let me quote a part of what the law says: "Such quantities of cotton shall be sold as will reestablish and maintain the fair historical share of the world market for U.S. cotton."

I say right here that our major problem on cotton today comes from the fact that the Department of Agriculture has not carried out the law which says that they must keep cotton competitive and moving in world trade. The Comptroller General of the United States agrees with me, for he officially said the law has not been carried out. I am certain we would have about 5 million bales less cotton on hand today if the law had been carried out.

From 1951 to 1956, while we held U.S. cotton off world markets, foreign acreage increased from 61,846,000 acres to 67,781,000 acres. After 1956, when we became competitive in world markets again, foreign acreage decreased to 64,750,000 acres. In the last 4 years, when again we quit being competitive, though the law requires us to be, foreign acreage climbed back up to 67,550,000 acres.

Now I know the textile mills say they want the farm producer to supply cotton at the world price. Have they asked labor to be paid at world levels? Have you heard them ask to let them pay taxes at the international rate? Does it not make just as much sense? Have you heard them admitting that for years and years they got their cotton to the extent of exports at the world market price? They never did tell you that; did they?

Now I know the mills do deserve protection from imports. Section 22 of the Agricultural Adjustment Act provides for that. The records show that in the last 18 months we paid \$509 million to domestic textile mills. I say to my producer friends, you are likely to find some day that most of that has been or will be invested in equipment for the use of synthetics.

I was interested as to what the effect of the 1964 act was on these textile mills, and it is likely that increased do-

mestic consumption was really delayed consumption. I have here before me reports of the stock market listing of six leading textile companies. I will not call their names. But in 15 months, from March 31, 1964, until July 21, 1965, their stocks have gone up in value more than 29 percent.

Let me say again, the law today authorizes and contemplates, and where cotton is concerned requires, that we sell what we do not need in world trade for what it will bring, so as to make it available to our friends and our customers throughout the world. If you were to send this bill back to the barn, and I hope you will, then we can set out to correct some of the defects in existing programs. Payment direct from the Treasury certainly is not the answer. I have wrestled with limitations on payments before.

Let me say again. Now is a poor time for this democratic Congress to come in with a bill the purpose of which is to pay the producer not to produce, to cut down supplies on hand when the world may be on fire. May I say at this time, when you are perhaps on the ragged edge of a downturn in our financial condition, by this bill, you are likely to be setting off not a recession but an actual depression. Price is one thing and volume is another; and if you cut down the farm volume, you are cutting down the farm producers' purchasing power to purchase from you folks and your constituents in the cities who manufacture machinery and equipment.

Let me give you a little homely illustration. There is a story told about the good king who had the welfare of everybody at heart and it hurt him to see anyone do without what he wanted because of lack of money. So this kind king, knowing little about economics, decreed that plenty of money should be printed and everybody should be given all the money that they wanted. With all this money from the king in their pockets the people all quit work; no one produced; and in 2 years everyone was destitute.

Mere money may look all right for the farmer—but neither he nor the rest of us can forego production, distribution, supply and business activity.

Money may take care of the farmer's immediate problem but it is not going to put groceries on your tables.

I realize I am stepping a little far afield, but I say to my friend the gentleman from California [Mr. ROOSEVELT]—whom I do not see here now—I do not know what the minimum wage should be in the city or elsewhere, and I do not know who should be under it or who should not be, though I have my own opinion and it differs from his.

I do say this: when we as a Congress make the farmer, the producer in the perishable commodity field or in any other field, pay wages above what he can pay, and make a profit, he will quit and move into something that does not require labor. Then not only will the laborers be without jobs but we will not have tomatoes, asparagus, and lettuce or

whatever they produce on our tables. It is that simple, and the same goes for restaurants, small mills and related operators, loggers, laundries, pressing shops, retailers, ginners, warehousemen, oil mills, hotels, motels, and many others, especially those who employ the handicapped or summer students.

Mr. Chairman, the Federal Government can put many people on relief but you cannot successfully make a small businessman pay out more than his business can stand. He will either quit or his creditors will force him into bankruptcy.

My friends, you are headed the wrong way today. You had better vote to recommit this bill when the motion is offered; then we can turn toward a program of production—for our safety, for our friends, and that we may continue to be the land of plenty when most of the nations of the world have less than half of what they need.

In conclusion, Mr. Chairman, if this bill should pass, I am counting on each of those who vote for its provisions to support me as we provide the money to pay the cost without limitations below those set out in the bill itself.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it is rather surprising to hear the speech we have just heard from the man who is the chairman of the Subcommittee on Agricultural Appropriations. He apparently is advocating now unlimited production, because he says we need the food and fiber we are harvesting from our flourishing fields.

I just want to remind Members and to remind him of the fact that, in an effort to alleviate the situation which he has discussed, our stabilization programs for the major crops on January 1, 1953, showed a profit of more than \$13 million, but these programs now show losses of \$9,203 million.

Under the price support program on all commodities, basics and nonbasics, over a period of 20 years prior to 1953, both in times of war and in times of peace, the losses amounted to only slightly more than \$1 billion. Now these losses amount to \$15,620 million.

On corn alone we have lost \$3,227 million.

On wheat we have lost \$3,041 million.

On dairy products we have lost almost \$4 billion.

Yet the gentleman is advocating unlimited production. The time has come when the taxpayers have a right to expect the farmers to bring production in line with consumer demand.

Even now, considering all the expenditures of money—using, under Public Law 480, \$23 billion to help alleviate hunger in 100 nations on the earth with 100 million people—we still have invested in these inventories close to \$7 billion.

All of this talk about getting the Government out of agriculture is a lot of bologna. If we took the Government out of agriculture the economy of America would collapse. Dumping \$7 billion of food and fiber on the market—that is what it means. That is the old argument

we have heard through the years, "Get the Government off the farmer's back."

I know something about these adjustment programs. I grow on my own little farm five of the six basic commodities, all but rice. We have had adjustment programs and we have had control programs year in and year out. At one time we took a 27-percent reduction in tobacco. This year we accepted a 19.5-percent reduction in tobacco.

We have brought these programs into operation. We operate them successfully, and they can be operated successfully now.

I can agree with only one thing my friend from Mississippi said; that is, we have not emphasized exports as much as we should have. We should have disposed of more of these commodities in the world markets, but we have not. Now we are trying to do it.

I have in my State almost 240,000 breadwinners working in the textile mills of our great State.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes. I yield to the gentleman from North Carolina.

Mr. JONAS. I do not understand the arithmetic of the gentleman from Mississippi. If he is here, I will ask him to listen to this question. I would like to ask the chairman if I am not correct in my mathematics. He said that under the one-price cotton system the textile mills received last year more than \$500 million; I think the figure he used was \$540 million. Is it not correct the total domestic consumption of cotton last year was about 9 million bales?

Mr. COOLEY. Yes.

Mr. JONAS. And if you applied the entire subsidy, if you want to call it that, against that 9 million bales, you could not get over \$275 million. Now, that is a lot of money and I do not minimize it, but it is a lot less than \$540 million.

Mr. COOLEY. The money he is talking about went to the farmers of the country.

Mr. JONAS. But it did not all go to the mills by a long shot.

Mr. COOLEY. Certainly not. And under that program I think he is correct in saying they have spent of their own money about \$1 billion buying machinery so as to modernize these plants.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(Mr. COOLEY asked and was given permission to proceed for 2 additional minutes.)

Mr. JONAS. Mr. Chairman, if the gentleman will yield further, just to show the mills do not want a subsidy, they are supporting this bill. If they had a subsidy last year, they are voluntarily offering to give it up.

Mr. COOLEY. They did not want it last year.

Mr. JONAS. And they do not want it now. They are supporting a bill which says they will not get a dime out of it.

Mr. COOLEY. And this cotton bill provides for making payments in kind to the cotton farmers of Mississippi, just

as it does to the cotton farmers of North Carolina.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say the figures I used come from the Department. It shows that from August 1, 1964 to July 31, 1965, for domestic use, there was \$447 million paid as a direct result of this and \$62.5 million were paid on what they term equalization payments from April 11, 1964 to July 31, 1965, making a total of \$509.6 million.

Mr. COOLEY. That was the total payment.

Mr. WHITTEN. But the mills do not like to be identified with the payments which are made to them, and that is why they are supporting this bill, so payments will be made to others, but they get the cotton at the lower price.

Mr. COOLEY. That is not it at all.

Mr. WHITTEN. That is what I say. They do not want it paid to them but to someone else.

Mr. COOLEY. Whom do you want it paid too? Answer that question.

Mr. WHITTEN. Whom do I want it paid to?

Mr. COOLEY. Yes.

Mr. WHITTEN. I do not want it paid.

Mr. COOLEY. You do not want it paid?

Mr. WHITTEN. No. I believe it bad to have the cotton industry dependent upon direct payments from the Treasury.

Mr. COOLEY. You want the farmers to have 21-cent cotton?

Mr. WHITTEN. No, I do not.

Mr. COOLEY. That is what they will have if you do not pass this.

Mr. WHITTEN. No. They will have 28-cent cotton—65 percent of parity—and 16 million acres, and the gentleman knows it. The law returns to the act of 1958, does it not?

Mr. COOLEY. That is right.

Mr. WHITTEN. What does that act provide?

Mr. COOLEY. You want 28-cent cotton?

Mr. WHITTEN. Sixty-five percent of parity, or about 28½-cent cotton and 16 million acres, plus of course, having the Secretary carry out the Export Marketing Act of 1956. Could the gentleman assure me you are not going to limit payments as others have tried to every time I bring in an appropriation bill here?

Mr. COOLEY. I will assure you as far as I can that I am going to vote against any limitation on payment.

Mr. WHITTEN. I am sure the gentleman will. I do believe the mills and the producer could get together on a workable basis if they had to return to the 1958 act.

Mr. COOLEY. Mr. Chairman, I have just received a letter from the Secretary of Agriculture, Hon. Orville Freeman, that is reassuring to cotton farmers and to industries and communities serving cotton farmers. I shall read the Secretary's letter into the RECORD, for what he has to say is important to the

legislation now under consideration.
The Secretary's letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, August 18, 1965.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: Concern has been expressed over the possibility that under the cotton provisions of H.R. 9811, industries and communities serving cotton farmers would be disrupted. I want to assure you that this would not be the case.

Our goal is to reduce cotton stocks to the level of prudent reserves over a period of 4 to 5 years. The authority which H.R. 9811 would grant to the Secretary to administer the rates of payments and the acreage reduction requirements for cotton for the crop years 1967, 1968 and 1969, would make it possible both to meet our program objectives and to protect industries and communities.

Under H.R. 9811, maintenance of one price cotton and more competitive export pricing would result in domestic consumption ranging between 9½ and 10 million bales in the years immediately ahead and exports substantially above recent levels. Total utilization of upland cotton should be in the range of 14½ to 16 million bales per year. Under these conditions the acreage reduction program for cotton could be operated so that cotton production would be maintained at not less than 13 million bales per year. If utilization were to increase sharply, production could be somewhat higher.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. MICHEL. Mr. Chairman, I move to strike out the last word.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, much has been said lately by the Secretary of Agriculture and other supporters of this farm bill with respect to how it will reduce the production of surpluses, cut Government costs, and maintain farm income. If recent history is any criteria it fails on the first two counts, and would promote and expand the very objectionable philosophy of direct Government payments to farmers.

The latter is objectionable because it destroys the market price system and places individual farmers in the position of dependence on Government payments for a significant portion of their income. The practice of setting a relatively low loan rate and selling CCC stocks to maintain the market price at this low level results in a Government "wrecked" price. The normal forces of the market system cannot function. Producers respond to their total return—the loan rate plus the direct payment and continue to expand production which also tends to force market prices down.

This bill extends and expands Government direct payments to farmers as embodied in the current feed grain and wheat programs, so we have a fairly good measure of results in 1964 and 1965.

On the first point—does the scheme reduce production of surpluses? Despite the huge outlays of Government money to the relatively large, efficient farmers as payment for participating in the so-called voluntary feed grain and wheat programs, the Nation's corn

crop in 1965 is forecast at 4.1 billion bushels, the largest on record. The wheat crop, forecast at close to 1.4 billion bushels, is the second largest on record. This has occurred despite the ballyhoo about how the increase in farmer participation in these programs this year would achieve a reduction in production. The opposite is now indicated. As of August 1 the forecast of the corn crop is up 15 percent over that harvested in 1964 and 18 percent above the 5-year—1956-60—average. The prospective wheat crop is 7 percent greater than that of 1964 and 17 percent above the 1956-60 average. The acreage devoted to these crops may have been reduced, but production has increased substantially.

What about the cut in Government costs? There have been no significant reductions in 1964 or 1965 and the prospect for 1966, if H.R. 9811 is passed and becomes effective, is that they will continue to expand. The most serious part of the increasing cost of the programs is the rapid expansion of direct payments to farmers.

And while on the subject of these direct payments, and how they are being used to actually buy votes, I am reminded of the July 14 memo to all State ASC committeemen and State executive directors from Horace B. Godfrey, the Administrator of ASCS, when he said:

The time is approaching for making payments to farmers under the cotton, feed grain, wheat, and certain other programs. In many county offices the checks are delivered personally to each farmer. This gives the county manager or clerk a good chance to make better understood what the payment is for and how it serves the national interest. All counties could well adopt this practice.

I do not believe I need elaborate on this observation. The intent is clear and unmistakable. It is a shocking, downright vote-buying scheme that would put some of the machinations of the big-city machine politicians in the shade. It is an abominable practice and it ought to be stopped right now.

Total Government direct payments to farmers amounted to \$2,169 million in 1964 and represented about 17 percent of realized net farm income and 22 percent of farm operators' net cash income from farming.

Of the total, \$1,733 million resulted from farmer participation in the various commodity programs—sugar, wool, cotton, wheat, and feed grains. The balance, \$436 million, resulted from farmer participation in the agricultural conservation program, the soil bank and the Great Plains program.

For 1965 the payments under the commodity programs are expected to increase to about \$2 billion.

Passage of this bill will cause Government direct payments to farmers to rise sharply. Those resulting from participation in the commodity programs will approximate \$2,600 million or about 50 percent higher than the \$1,700 million in 1964. Total payments, about \$3,100 million in 1966, will be equivalent on the average to a little under \$1,000 per farm for the United States as a whole. Such a payment would represent 25 percent

of the estimated per farm realized net income from farming, including Government payments. In 1964 the proportion was 17 percent. Excluding Government payments the percentage would rise to 33 percent of realized net income per farm.

The payments will not be distributed at this average rate because they are earned on the basis of size of farm and participation. This is especially true for the commodity program payments.

Under the 1964 feed grain program, farms with feed grain bases of 25 acres or less, representing 56 percent of all feed grain farms, received only about 14 percent of the total feed grain payments. The smaller proportion participating and the smaller size tended to reduce the payments made to this group. Because of their small size, these farmers cannot earn a large enough payment to justify their participation unless they wish to get out of farming altogether.

On the other hand, farms with feed grain bases of 50 acres or more, representing only 25 percent of the total feed grain farms, earned 72 percent of the total feed grain payments.

The per farm rate of payment for participating farms with bases under 25 acres averaged \$310 while that for those having bases of 50 to 100 acres averaged \$1,118; for 100- to 200-acre bases, \$2,000; for 201- to 300-acre bases, \$3,306; for 301- to 500-acre bases, \$4,880; and for 501 acres and over, \$10,190.

The large increase in the projected total payments in 1966 under the new farm plan results in large part from the change in the cotton program in which payments would be shifted from textile mills to cottongrowers and the rate of payment per bale would be increased sharply. Also, there would be an increase in direct payments under the proposed new wheat program which provides for a 50-cent per bushel increase in the domestic consumption certificate. A third factor expanding direct payments to farmers in 1966 would be the participation in the new cropland retirement scheme.

In all of these the size of farm would control the size of the payment per farm. The larger the farm, the greater would be the total payment per farm. It would be the successful farmers and the relatively highest income producers who receive the largest payments. This would be true for the feed grain producers, as I have pointed out a minute ago, and for the wheat and cotton producers.

The largest farms, those with value of cash sales of over \$20,000 per farm and representing about 15 percent of all farms, would receive slightly over 62 percent of the total direct payments; those with sales of \$10,000 to \$20,000 and representing about 18 percent of all farms would receive about 22 percent of the direct payments; those with sales of \$5,000 to \$10,000, representing 15 percent of all farms would receive only about 10 percent of the payments; and those with cash sales of less than \$5,000 and representing 52 percent of all farms would receive only a little over 6 percent of the payments.

The celebrated million successful farmers selling \$10,000 and over of farm

products, representing only about 33 percent of all farms, would receive about 84 percent of the total Government direct payments under H.R. 9811 in 1966. This illustrates again how the well to do get the dollars and the poor folks get the pennies. There is very little in the administration's proposed new farm plan for the so-called lower half of the income scale which have been designated as in—or bordering on—the poverty class.

This situation is similar to the tax program under which reductions are made in excise taxes on luxuries, such as furs, diamonds, and cosmetics for the benefit of the well-to-do, but an increase in the tax levy on flour and bread which is consumed in the largest amounts by the so-called poverty class. Thus the question may be asked as to how anyone who is concerned with the welfare of the small farmer and the cost of living of the poor can be for H.R. 9811.

The following table includes the details by programs for the United States as a whole for 1964 and estimates for 1966:

	1964	1966
Conservation.....	227	220
Soil bank.....	199	150
Great Plains.....	10	10
Cropland retirement.....		140
Subtotal.....	436	520
Sugar Act.....	68	70
Wool Act.....	25	30
Cotton.....	39	500
Wheat.....	438	600
Feed grains.....	1,163	1,400
Subtotal.....	1,733	2,600
Grand Total.....	2,169	3,120

¹ July 1965 issue of Farm Income Situation.

² Estimates based on provisions of H.R. 9811, and certain assumptions with respect to farmer participation.

These Government direct payments for commodity programs in 1966 would not be the total cost because they do not include the cost to the Government on Public Law 480 shipments abroad, the losses sustained by CCC on sales of stocks below acquisition plus storage costs, and program administrative expenses. It has been estimated that the programs included in H.R. 9811 will cost the Government and consumers close to \$5 billion per year.

For Illinois, Government direct payments to farmers totaled \$131 million in 1964 with the commodity programs, largely feed grains and wheat, accounting for \$118 million. Because of higher payment rates and slightly increased participation in the feed grain and wheat programs, it is estimated that the total payment under the commodity programs will rise to about \$135 million in 1965 and to about \$140 million in 1966.

For Indiana total payments amounted to \$78 million in 1964 and may reach \$90 million in 1966. For Iowa the total in 1964 amounted to \$226 million and could rise to \$260 million in 1966.

There is no question but that the Federal Government is the biggest industry in our neighboring State of Iowa.

Mr. CALLAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. CALLAN. Can the gentleman tell me how much wheat the Government had on hand in 1961?

Mr. MICHEL. I cannot tell without looking back through the hearings, but it is a matter of record.

Mr. CALLAN. It is 1.4 billion bushels.

Mr. MICHEL. The point is that the situation has not really improved.

Mr. CALLAN. It is now down to 900 million bushels. Can the gentleman tell me how much feed grains the Government had on hand?

Mr. MICHEL. Let me ask the gentleman this: How much less is the Government cost of this program today than it was 2 years ago?

Mr. CALLAN. Farm income is up \$1 billion.

Mr. MICHEL. That comes about because of direct Government payments—17 percent of net farm income comes from direct Government payments. At the end of this year it will be 20 percent. We can talk about parity going down, but we are making it up with direct Government payments; \$2,136 million in 1964.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. WHITTEN. Mr. Chairman, I forgot to pay tribute to one provision of this bill. That really is a safety valve. Under this bill, the Government will pay the farmer to let the public hunt on land which he gets paid not to farm. At least the city fellow can hunt rabbits on the farmer's land if worse comes to worse. I would rather not think of a return to such a time when we would need that provision. I remember too well the early 1930's.

Mr. MICHEL. I thank the gentleman for that contribution.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. ABERNETHY. Mr. Chairman, I move to strike the requisite number of words.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks and to proceed for 5 additional minutes.)

Mr. ABERNETHY. Mr. Chairman and Members of the Committee, I did not intend to speak under the 5-minute rule until we reached the cotton section of the bill. But inasmuch as we now seem to be debating that section, I thought perhaps this might be an appropriate time for me to make a few remarks.

Mr. Chairman, I listened with interest to my colleague, the gentleman from Mississippi [Mr. WHITTEN], and to my chairman, the gentleman from North Carolina [Mr. COOLEY], I believe I could commend both for what they had to say. I believe the gentleman from Mississippi [Mr. WHITTEN] is absolutely right in his remarks, that paying a farmer or giving a farmer a check for labor he does not perform, is no solution to the cotton problem. The remarks of my chairman Mr. COOLEY, were not addressed to the point made by Mr. WHITTEN. Mr. COOLEY was right that our programs have cost a lot of money. But this bill is no solution to that. Its cost will be astronomical.

Incidentally, that is one reason there are so many farmers opposed to this bill. They do not want checks from the Government. They do want a market and a fair price.

Mr. Chairman, I have in my hand a letter from one of the greatest friends of agriculture ever to pass through this House of Representatives, the Honorable Steve Pace, of Georgia. Many of you served with him. You know the kind of legislator he was. You know that his heart was with the rural people of America, from the Carolinas to California. Irrespective of what their crop might have been, Steve was always on this floor championing their cause. It might have been the wheatgrower, the corn grower, the watermelon grower, cotton or anything else. Steve was here in their behalf.

Mr. Chairman, although Steve has been retired a good while, I believe he still has some knowledge of American agriculture. Here is what he said about this cotton bill:

If this title IV is enacted, it will blast an enormous hole in the economy of the Southeast. It will wreck its economic structure and create enormous unemployment. I just cannot understand such a proposal.

Now, Mr. Chairman, I know that most of the cotton farmers are opposed to this bill, but, regrettably, their customers are for it, the textile mills.

Until this year the cotton farmers and the textile people have been working hand in hand. And irrespective of what my friends say from the textile area—and I have every respect for them—the mills have had a bonanza during the past 12 months under this kickback subsidy program, and they are going to have a bigger one during the next 4 years. This bill, for the most part, is simply a perpetuation of that which the mills have enjoyed so much for the past 12 months, the only difference being that it will take the onus off their backs and put it on the farmers, but at the same time leaving the mills with the cheapest cotton since before World War II.

Mr. Chairman, I hold in my hand a report of the Burlington Mills, Inc., a company report which shows that in the 6 months ending March 28, 1964, their earnings were \$22.7 million. That is when the new program began last year. Then for the 6 months ending April 3, 1965, their earnings were \$34.1 million, an increase of more than 50 percent, a difference of \$12 million in one 6-month period. Of course, they are here, working like beavers for this bill. I can take you downtown to the headquarters of the textile people, which, I understand, is room 670 at the Mayflower Hotel and over here to room 422 at the Congressional Hotel, and there you will observe the beaverlike activity of the mill people to press this measure down upon those who do not want it, our farmers.

Mr. Chairman, I do not have a thing in the world against the textile people. I want them to make a profit. I have no objection to people making money. I have been on the side of free enterprise and the profit system and I am going to stay on it. I am glad they have made money, but I believe the passage of this measure will mean the contrary for the

cotton farmers of this country. It is so regrettable, so regrettable, this split has developed between the cotton farmers and the textile people.

Mr. Chairman, the cotton people stayed with them through their fight last year and back through the days when the mills were carrying on their fight before the Tariff Commission. But now the mill people have taken flight. They have gone their own way instead of lining up with the cotton farmers and repaying them for that which the farmers did for the textile people last year. This is the saddest day within my memory for the cotton farmer. He is being forced to become a charity patient of the Federal Government.

You know, a bill that is a good bill does not require too much effort to get it passed. There has been more effort put behind this bill in order to get it passed than any that I know of, and I have been around here for two decades. Every ASC employee in every State and every cotton county in the United States affected by the bill has been ordered and directed to send a certain prepared letter to every cotton farmer telling him how good this bill is. I have some of the letters here. They are all identical. The employees were ordered in to action, to mimeograph the letters, address them to the farmers and mail them out under frank. No, I am not criticizing the employees. They were told to do the job and had I been in their shoes, I would have done as they did and so would you.

They had meetings in every region of the cotton belt, several in each State. The head of the State ASC in every State, or some other suitable person, was directed to explain to the county ASC committees just how good the bill was. Well, this thing is so complicated that some members of our agriculture committee cannot explain, so how in the world could these employees. One county committeeman who had been urged to and did attend one of the meetings said the speaker said to them: "Your jobs are at stake." That is their ASC jobs. "So get behind this bill." They called them into different places and gave them the literature and said, "Mail it out." They did mail it out. I know of a farmer who walked up to one of these meetings, knocked on the door and asked for admittance. They said, "You cannot get in." That man is a cotton grower. He is in this city today pleading for the defeat of the cotton provision of this bill.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from California.

Mr. HAGEN of California. Just because the gentleman's cotton farmers do not like this bill is no sign that some others do.

Mr. ABERNETHY. I can well understand the gentleman's position. Our chairman has said he put a provision in the bill which would allow you to plant from fence corner to fence corner in California, and that this was done to get your vote for the bill. But he did not buy mine. He just bought yours.

Let me review what appeared in a Scripps-Howard article last fall about the bill we had just passed. It goes on to say the bill was passed so as to provide cheaper cotton for the mills, who in turn would lower the price to the consumer. The article proceeds to report that the mills did not reduce the price of textiles, which was a commitment on their part. They put the difference into their profits, paid higher dividends and in some instances they did do well; they enjoyed substantial stock splits. You know that is true. They put it in their own pockets. That is what they did. So of course they are here now trying to get this thing off their backs and slip it over on the backs of the little hill farmers I represent in northeast Mississippi, but the mills will reap the same and even more benefits therefrom. After 1966 they will be able to purchase cotton even cheaper than it now costs under the mill subsidy program.

The stock of the Burlington Mills closed yesterday at its highest point this year on the New York Stock Exchange. When Mr. COOLEY announced he was going to offer amendments which everyone knows assured passage of the wheat provision and finally the entire bill, Burlington's stock advanced $1\frac{1}{2}$ points and reached its highest ceiling this year. I did not check the cotton market but my guess is that it took a resounding fall. And incidentally, the New York Cotton Exchange has been pushing hard, also, for this bill. Yes, everyone but the cotton farmer.

I have friends in the textile industry. I know Mr. Charlie Cannon, of Cannon Mills, fairly well. He is a wonderful man. He may not know it, but one of his men has been sitting over in that room at the Congressional Hotel lobbying around to get this thing put over on the farmers. This is the room occupied by that which calls itself the Emergency Committee to Protect Cotton Growers. I have checked on the names of those who appear on their letterhead, as being members of the committee from the various States. Many of them are ASC county and State committeemen who have been pressed in line to support this bill. I have telegrams from others who said they never authorized the use of their names. They are distributing letters over the signature of one Mr. J. B. Kirklin in support of the bill. I have some of the letters. I do not have time to read them or the telegrams I have just referred to. But members of their so-called committee have sent wires in to me and others denying any membership in such an organization. I have the telegrams here for you to read if you desire.

Maybe I am a little excited, but my farmers are too. With all due deference, this bill ought to go back to the committee. I am afraid it is not going back. I do not think it will. That has been fixed up with the amendments which my chairman announced yesterday would be offered to satisfy enough Members to get the bill passed.

This is not a farmers' bill. We adopt legislation here to guarantee wage levels to the people of our country, and we

require the consuming public to pay the bill. Why not just have a bill that will require the fixing of minimum income for the farmer, and require the public to pay the bill. Don't make the cotton farmer crawl on his knees to the courthouse, to the ASC office, to extend his hand to receive a dole in the form of a Government check. He doesn't want a dole. He only wants, and is entitled to, a fair price in the market. If this Congress can fix a fair wage for the workingman and require the consumer to pay it, then it can and should do the same for the cotton farmer.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from North Carolina.

Mr. COOLEY. Can the gentleman tell the House why he is opposed to the cotton bill?

Mr. ABERNETHY. Well, I have been telling you for 10 minutes, and I thought I was making myself heard.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(By unanimous consent (at the request of Mr. BELCHER) Mr. ABERNETHY was allowed to proceed for 3 additional minutes.)

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman.

Mr. BELCHER. Because of the laughter, I did not hear what the gentleman's answer was as to his reason for opposing the cotton bill. But I think I know—and that is simply because your constituents back home who sent you up here do not like the cotton bill and you, as their Representative, then have a duty to oppose it.

Mr. ABERNETHY. Well, as I said, I have been around here for 23 years and I think I do hear and listen to the voices from home. When they make a noise down there, I listen.

Mr. BELCHER. I am glad there is another Member of the House who is as selfish as I am because every time the Secretary of Agriculture during the Eisenhower administration wanted a bill that my constituents did not like, I was still selfish enough to follow the people who sent me up here and go against the Secretary of Agriculture.

I would say that today if that same feeling prevailed in the mind of every Member of this House, this bill could be defeated by a 3-to-1 vote.

Mr. ABERNETHY. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman.

Mr. WHITTEN. I first want to comment my colleague from Mississippi and also want to point out that we have found in times past that once these bills are passed, the limitations come naturally. We have been together on this year after year and getting by by the skin of our teeth in the past.

I commend the gentleman for his very fine presentation.

Mr. ABERNETHY. Mr. Chairman, I will say this and I will conclude.

If this bill could be redrafted in a form where the danger of placing a limitation on payment to these farmers could be obviated or eliminated, we might feel somewhat better about it. I would not even then regard it as satisfactory because as I say the farmer is only seeking and is entitled to a fair market price.

As to the unlimited production provision—we do not like that. Of course not. This was put in to get western votes. Some of them will plant to the fence corners. Their production will glut the market and Government stocks from price-support cotton will soar.

I might also say, I think the release and reapportionment provision of present law is destroyed by this bill.

Another thing about this bill is the soil bank provision. We have had our experience with that. It cost millions upon millions and was a waste of taxpayers' money. It made ghost towns throughout the farm belt. And it turned good farmland to wasteland, to sagegrass and brush patches.

In spite of all its faults, costs, and creation of pockets of poverty, we are going to go back into it. How can we? I think it is a terrible mistake.

Mr. Chairman, this bill ought to be recommitted and rewritten.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I am glad to yield to my friend the gentleman from New York.

Mr. O'BRIEN. I would like to congratulate the gentleman from New York who, I assume, is going to discuss title I of this bill.

Mr. STRATTON. Exactly.

Mr. O'BRIEN. Slightly more than an hour ago, I tried to lead a cow out to pasture and the cow wound up in a cotton field. I thank the gentleman.

Mr. STRATTON. I thank my colleague for his remarks.

Mr. Chairman, I was going to say that while these big giants of the cotton industry fight it out here, I want to get back on to the subject of dairying and try to put in a few brief words for the little dairy farmer. I appreciate the comment of my distinguished colleague the gentleman from New York [Mr. O'BRIEN] because it is with some trepidation that I rise to raise some questions about his amendment. The gentleman is a close personal friend of mine and in fact he now represents what used to be my hometown when I first came to the Congress. But because of reapportionment, I now represent the fourth largest dairy district in the country and the largest dairy district in New York State. I would be remiss in my obligations to my constituents if I did not rise to raise some questions about the amendment offered by the gentleman from New York [Mr. O'BRIEN].

I am sympathetic with the purposes of the amendment. I am familiar with the so-called Stalker case in Albany County

which stimulated his interest in the amendment. As a matter of fact, on page 14 of the committee report, I believe the committee has put in language which would prevent that kind of thing occurring in the future.

But the thing I am afraid of is that the amendment offered by my good friend, the gentleman from New York [Mr. O'BRIEN] might well damage if not destroy the whole milk marketing order which basically protects the rank and file small dairy farmers of New York State and other States around the country—not those who are even affluent enough to retail their own milk in their own cartons.

The dairy farmers I am referring to are just producers. They have to take their milk down to some dealer, to some handler, and have him sell it. The only way in which they can be protected and can get a fair return is by these milk marketing orders, such as are in existence in my district in New York State and in some 79 or 80 other areas.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from California.

Mr. HAGEN of California. The gentleman has made a valid point. The amendment offered is not an attack on any provision in this bill, but it is rather a potential attack on existing marketing orders which are working very successfully in some 75 or more areas of the country.

Mr. STRATTON. I thank the gentleman for pointing that out.

I believe that the farmers have agreed to abide by the provisions of these orders to protect themselves against a disastrous dropping out of the bottom of the milk market, and we really must be concerned with that problem if we are interested in the welfare of the dairy farmer.

I have some producer-dealers in my district, but I also have thousands of plain, ordinary dairy farmers. While these farmers may not like all of the provisions of the current milk marketing order—I do not like them all myself; I have proposed some amendments of my own—we do not want to see the order destroyed. I fear this amendment might well damage the whole dairy program severely.

My thoughts go back to the time when these orders came into existence, to the early 1930's, in New York State. We had milk strikes then. We had violence. Milk was dumped in the ditches along our roads.

Why was that? It was because there was no stability in our dairy market. There was a superfluous production of milk. The result was economic chaos and then even violence. The milk orders came into being then to bring that stability about to help all dairy farmers.

We have a State milk order in New York State today and there is also a Federal milk order.

What do these orders require? They require that all producers of milk shall not only profit from the sales of fluid milk in bottles but also shall bear their fair share of the burden of disposing of

the surplus milk, the milk which goes ultimately into ice cream, cheese, powdered milk, and butter. I believe that is a fair arrangement. Everybody shares both the advantages and the disadvantages of the marketplace.

The producer-dealer is, strictly speaking, a farmer who sells his own milk. Under the present marketing law he is already exempted from the law's provisions. He does not have to carry any share of the burden of disposing of the surplus milk. He does not have to participate in the pool as blended price arrangements which affect the rank and file milk producer, the little dairy farmer. It is only when a producer-dealer goes out and buys a little bit of extra milk from some other farmer to tide him over some of those dry months when he cannot supply all of the customers he established in the flush months that he does become subject to the limitations of the pool, and he then has to carry his share of the surplus burden, as indeed he properly should.

As I say, I believe the unreasonable aspects of that part of the law have already been taken care of by the wording in the committee report. But if we are going to protect the small individual dairy farmers, whom I have the honor to represent—and I have spent 6 years here in this Congress in trying to understand all the aspects of this dairy situation—and it is not easy to understand—then we ought to protect the milk marketing agreements under which they operate, and we ought to defer the proposed amendment so that we can go more fully and more carefully into all its implications. This, I submit, is the best way to help the little dairy farmer.

Mr. QUIE. Mr. Chairman, I rise in opposition to the O'Brien amendment.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. LAIRD. The gentleman from New York, representing the fourth largest milk producing district in the Congress, indicated his opposition to the amendment offered by the gentleman from New York [Mr. O'BRIEN].

As the Representative in the Congress of the district which produces the most milk, I should like to state my opposition to this amendment. This is one way of killing the milk marketing order program by an indirect method. It is true that the Federal marketing program has been used in some cases to keep milk off the market which should not have been kept off the market, but without the marketing program many dairy farmers would indeed be in bad shape.

Mr. Chairman, I personally was very disappointed that the free flow of milk amendments and amendments providing for an adequate minimum price for dairy farmers were not included in this legislation. Under the terms of this bill, the maximum milk price increase anticipated in the next 12 months would be approximately 3 to 4 cents. I feel that dairy farmers in Wisconsin will have extreme difficulty in meeting their in-

creased costs on the basis of this increase.

The self-help dairy stabilization bill which I have introduced, H.R. 1559, provides for a minimum price of \$3.50 for manufactured milk. The effect of the Johnson-Freeman bill will be to continue the minimum price for manufactured milk at about \$3.25 per hundredweight for the next year for milk with national average butterfat test. The Secretary of Agriculture predicts that an increase might be possible in the latter part of the next year by 3 to 4 cents. With the cost projections for producing milk, I feel it will be indeed a difficult year for dairy farmers.

I cannot support this bill unless the minimum floor for manufactured milk is increased to \$3.50 per hundredweight. Title I of this bill does not offer my dairy farmers in a primarily manufacturing milk producing area any real hope for release from the vise-like grip of the cost-price squeeze that is draining his lifeblood.

(Mr. LAIRD asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I believe it has been pretty well established that this will cause a problem under the milk marketing orders for the farmers who produce but do not retail their milk. I believe this could cause a problem to the producer-handler, presently exempted in the various orders, for two reasons.

First, there are producer-handlers under some orders who are not limited to the amount of milk they can purchase from regulated handlers under the order in order to fulfill their retail needs.

This language prohibiting anyone from buying either directly or indirectly in the interstate purchase of milk and would prevent them from buying their extra milk needs from such a handler where it is presently permitted. Secondly, the vote on this bill could very easily indicate in litigation that producer-handlers might have that the Congress has no interest in exempting producer-handlers. I would like to see something written into the law exempting producer-handlers, but so far we have not been able to define it or write the kind of language as to the extra milk they would be permitted to purchase, so nothing has been written into this bill. However, in order that this title of the bill will not in any way prejudice present producer-handlers, we wrote into that section of the bill that nothing in this language shall change the status of producer-handlers. We also wrote in the report, beginning on page 13 and following on page 14, that this is exactly what we meant, that is, nothing in this bill shall prejudice the present position of the producer-handler, and we stated that we recognize it as wise that those who produce their milk and retail all of it, but only retail what they produce, should be exempted from the Federal orders.

I would like to ask the chairman of the committee this question: no matter what happens to the O'Brien amendment, the words in the bill and the report still stand, do they not, that this shall not in

any way prejudice the position of the present producer-handlers?

Mr. COOLEY. If the gentleman will yield, that is exactly right. I agree with the gentleman's statement and want to ask the gentleman this question: of course, the gentleman is a member of the subcommittee.

Mr. QUIE. Yes, I am.

Mr. COOLEY. And the subcommittee reported to the full committee on this and gave us a unanimous report.

Mr. QUIE. That is correct.

Mr. COOLEY. And you are afraid that if we adopt this amendment, it might interfere with the orders under which they are now operating?

Mr. QUIE. That is right. And it might interfere with some producer-handlers there.

Mr. COOLEY. That is right. I agree with you.

Mr. QUIE. I am glad that the chairman of the committee is here, because I do not want anybody to look at this legislative history and say now the Congress has turned its back on producer-handlers. I want to make certain and it is my view of Federal orders that bona fide producer-handlers should be exempted, but it will necessarily be done under the regulation in the orders.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. LATTA. Was there not also some discussion in the committee about condemning such practices as were brought out by Mr. O'Brien?

Mr. QUIE. That is true. I think it was a foolish action and the silliest thing imaginable when the producer-handler was prohibited from receiving cream in a larger container and he was penalized because the administrator claimed the cream in a large container was not the finished product but if he had purchased it in small containers it would have been acceptable.

Mr. LATTA. If this O'Brien amendment is defeated, which it probably will be, how will we prevent these things in the future?

Mr. QUIE. If something ought to be done by law, we ought to take it up in the Dairy Subcommittee and see what we can do. I only hope in this case that the Federal order administrator will recognize the difficulty he caused and not put such restrictive regulations on the producer-handler.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. HAGEN of California. I may say that the gentleman from Minnesota made a very valuable contribution to this committee in considering this bill. It was not our intention, Mr. Chairman, to prejudice the position of a bona fide producer-handler marketing his own milk.

Mr. QUIE. I thank the gentleman.

Mr. HAGEN of California. And the defeat of this amendment would not, either.

Mr. FOLEY. Mr. Chairman, strike out the requisite number of words.

Mr. Chairman, the amendment offered by the distinguished gentleman from New York is of great importance

to the dairy industry of the State of Washington. I yield to my colleague from Washington [Mr. MEEDS] for the purpose of discussing this amendment.

Mr. MEEDS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York, and I would like to point out that the bill as brought in by this committee will not—I repeat, will not—hurt the legitimate producer-handler. The amendment by the gentleman from New York [Mr. O'Brien], has the potential of very substantially injuring the entire marketing order system.

I represent a district which has some of the biggest producer-handlers in the entire United States—probably the biggest. I would like to point out that historically the producer-handlers have not come under these marketing orders. This bill does not change that one bit. Historically they will remain out of the order. But the power to the Secretary must be there so that when they become so big as to substantially injure the marketing area, then he can do something. The important thing is that the power be there, not that it be utilized, but that it be there. We talk about 1 percent; it is up to 3 percent in our area.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman.

Mr. ADAMS. Mr. Chairman, we have had the problem that has been described several times by the gentleman from Wisconsin in describing the development of large producer-handlers in the milk barn operation. It has also been mentioned by the gentleman from Minnesota [Mr. QUIE], that this matter is presently in litigation. My suggestion would be, and I would urge on the committee, that this amendment not be adopted at this time, that an opportunity be given, first by the Department of Agriculture and later the appropriate subcommittee of Committee on Agriculture to study what difficulties, this total exemption might produce for the participating dairy farmers and the producer-handlers. The issue is in litigation and since it is being discussed at the present time, I think it would be unwise to prejudge the present litigation by adopting this amendment. It may well be that there should be an exemption with a top limitation, because our small farmers, as mentioned by the gentleman from New York, are in competition with the milk barns, and if a great portion of the milk goes to these people, the local farmers selling through dairies are in a position where they are being undersold in terms of 8 or 9 cents a gallon. This they cannot stand and stay in the business.

So I hope and urge that the committee do not adopt this amendment at this time, but we allow the study to proceed and then consider what we should do.

Mr. MAHON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, Members who have spoken on this farm bill have urged various courses of action. Some want it approved, others want it recommitted to the committee for further study and

others want the bill voted down. I, for one, am far from being satisfied with this legislation, and have been watching the proceedings with a great deal of interest and concern. Of course, if this bill is recommitted, or defeated, certain grave risks are encountered. All of us would rather have this bill than something worse. If this bill is recommitted or defeated, we could get something worse; we might get something better. Exactly what would happen cannot now be foreseen. We cannot, of course, foresee what action the Senate may take.

Speaking generally, I want to say that in my judgment, even though our agricultural laws and administrative practices have not been entirely satisfactory, the farmer, through participation in government programs and otherwise, through the years, has done a remarkable job, a spectacular job, an unbelievably good job in providing a bountiful supply of high quality food and fiber to the American people on a very low-cost basis.

In the overall, American agriculture has moved forward to a remarkable degree, enabling us to free much labor and effort so that our country has been able to devote more of its resources to other fields of endeavor. So we need not apologize too much for the cost of the farm programs. This is not to say that we should not employ good judgment and economy.

As chairman of the Committee on Appropriations, of course, I am concerned with the cost of these programs. They do cost a great deal. I would like to see them cost less. But from the standpoint of the consumer, they are worth everything they have cost because of what they have provided for the consumer and the national economy.

As the Representative in Congress of the greatest cotton producing district in the United States I must consider certain serious questions as to the cotton section of the bill.

A major problem which concerns me and the people I have the honor to represent is this: Does the bill provide adequate income protection for the cotton producer for the 4-year life of the bill? The income features of the bill are relatively attractive for 1966. However, thereafter the producer can be assured of only 65 percent of parity and this on the domestic portion of his crop only. The domestic portion is considered to be 65 percent of his allotment.

It is a well-known fact that cotton producers are now caught in a price-cost squeeze even with current supports near 70 percent of parity on their full allotment. The lack of assurance of producer income protection under the projected program in 1967, 1968, and 1969 raises grave doubts as to the proposed measure. I do not believe the assurances are adequate.

Does the bill deal effectively with our export problem? And this is a problem of major proportions. Lowering the loan to the "world" level or below could and I believe would stimulate exports to some extent and tend to slow down increases in foreign production. On the other hand, lowering the U.S. support price could result in a general lower world

price for cotton and no substantial increase in markets for our cotton abroad.

We cannot afford to give up our export market and produce for domestic consumption only. The cotton farmers whom I represent believe as I do that we should redouble our efforts to regain and maintain our fair share of an expanding world market with an imaginative and vigorous export program. At any rate, a new look at our export program and policy is in order with an eye toward solving our surplus problems through increased consumption rather than decreased production. A flexible subsidy program with the rate of the payment determined by the market, insofar as possible, is an approach which should be considered.

Does the bill maintain the 16 million acre minimum allotment? This is a matter of vital interest to cotton farmers. Under the proposed program a producer is a co-operator and eligible for price support and payments only if the acreage planted to cotton on his farm does not exceed 85 percent of the farm acreage allotment. He cannot in fact plant his entire allotment and participate in the program, but must take a minimum cut of 15 percent in acreage. Further cuts in acreage will result in decreased efficiency and further diminish the cotton producers chances of competing realistically with foreign growths and synthetic fibers. We are constantly striving for reductions in the cost of production and volume is important in this effort.

Is the proposed bill sufficiently specific as to what would happen under the program for the 4 years which it covers? I think not. Many provisions are spelled out in detail for the first year, but this is not the case for 1967, 1968, and 1969.

The farmer would more or less take a leap in the dark for the last 3 years. The loan could not exceed 90 percent of the estimated world price, but it could be less. The direct payment to the farmer would be within the discretion of the Secretary, but the loan, plus the direct subsidy to the farmer, would have to be equivalent to a total return to the farmer of not less than about 28½ cents per pound for middling 1-inch cotton on the domestic portion of his allotment. Under the present program for 1965 the farmer is assured of a loan of 29 cents on his full allotment.

We, of course, in considering cotton legislation bear in mind the fact that the first objective of the legislation is to promote the welfare of the producer. While considering the producer, however, we need likewise to consider the allied industries to the extent that may be appropriate and not incompatible with the welfare of the producer.

It is likewise my opinion that insofar as reasonably possible crops should move into the regular channels of trade and not into the loan. The solution to this problem is closely related to the sales program. Too often in the past we have had poor export sales programs which have resulted in channeling too much cotton into the loan. And much of this cotton has not moved out of the loan or has moved too slowly.

Under the pending cotton section of

the bill, will Commodity Credit Corporation stocks be properly handled? Excess stocks held by CCC should be disposed of in an orderly manner. As I have stated, it is extremely important, however, that current crop cotton move through the normal channels of trade into the marketplace and we should not pursue policies, under this or any other program, which would make CCC the chief merchandiser of our cotton. CCC stocks should not be permitted to compete with current crop cotton in the market in such a way as to force new cotton into the loan.

The threat of a limitation on government payments to individual producers has been before us for some time. The pending bill which provides for a low loan and direct subsidy payments to farmers would make this problem more difficult to deal with. This threat would arise next year and thereafter in connection with the annual agricultural appropriation bill.

The feed grain section of the pending bill is widely supported by producers of the area I represent. The chief concern is over the cotton section.

Mr. Chairman, to recapitulate, we are tremendous producers of cotton in my area. We do not want to go out of the cotton business. We want to grow cotton. We want to grow it for domestic and foreign consumption.

We are also concerned about the skip-row regulations of the Department of Agriculture. We would like assurances from the Department, in fact in the law itself, to the effect that the present skip-row regulations would not be changed. This we unfortunately have not been able to obtain.

Mr. Chairman, as the spokesman for the people of my area I can do no less than sound a word of caution and concern about the course we appear to be taking here. If we follow the course proposed we will be making a drastic change from the program which we have followed for so many years. There are many hazards involved.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(Mr. MAHON (by unanimous consent) at the request of Mr. COOLEY was granted permission to proceed for 1 additional minute.)

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, we have heard a lot of discussion here today about the cost of these programs, and I have given the information as to the losses which we have sustained. I want to emphasize the fact that the record shows that during the 8 years that Ezra Taft Benson was our Secretary of Agriculture he spent more money than all of his predecessors in office from the beginning of the Republic, up until the time he left office.

Mr. MAHON. I believe that is correct. But, of course, when we deal with economic problems such as agriculture we have uppermost in mind the general welfare of the country, Republicans and Democrats alike.

What we are working for here is the cause of agriculture, and I hope we can unite on a bill that is reasonably acceptable before this Congress adjourns.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words.

(Mr. BOLAND asked and was given permission to revise and extend his remarks.)

Mr. BOLAND. Mr. Chairman, I wish to compliment the distinguished gentleman from Texas and associate myself with his remarks.

Mr. Chairman, I take this time simply because the gentleman from New York [Mr. O'BRIEN] whose amendment is pending, spoke so long ago I believe it is in order that we ought to give him the opportunity to make some of the points that he did make some time ago, fearful that his amendment will be bogged down in the discussion of the question of cotton.

Mr. Chairman, I yield to the distinguished gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN. Mr. Chairman, I thank the distinguished gentleman from Massachusetts. I, too, have lost some of the continuity of the argument and I appreciate the fact that a Representative from a nonagricultural area has had the full treatment from the "club," the great Committee on Agriculture, on both sides of the aisle.

Mr. Chairman, the assumption in most of the great discussion has been that if you come from a city, you cannot possibly understand these things and work with them.

Mr. Chairman, one of the arguments that has prevailed persistently throughout this discussion, one of the threads this afternoon, if there is a thread, is that these producer-dealers would become so big that they would threaten the entire milk marketing situation.

I will say, Mr. Chairman, regardless of what happens to this amendment, that we have seen tears for Jesse Stalker today, we have a pious declaration in the report which will mean exactly nothing to the people in the Department downtown; but I think when we are all through with the discussion the tears may be for Stalker, but the smiles will be on the faces of the really big operators in this field. That is something as a city man I know something about. We are worrying about a small producer, who has possibly a hundred cows, selling his milk, but nobody has any concern over a corporation engaged in the dairy business which grossed \$992 million last year. If the Stalkers and the others are capable of expanding a little bit, and offering competition to these giants who want to crush them, I want to give that opportunity to these farmers that the big dealers would destroy. I have heard from my farmers. Not a single one from my district, non-dealer, has contacted me and said he is opposed to my amendment. So I think that the farmers this great committee say they are protecting are with us, even if it does skim a little bit off the volume of their area.

I wish to apologize for invading this precious field of agriculture, but regardless of what happens to my amendment I will leave here today satisfied that at least once I have stood up and fought for the little fellow that everybody talks about but seldom did anything about.

I thank the gentleman.

Mr. BOLAND. Mr. Chairman, I want to compliment the gentleman from New York on leading this wonderful fight. He has been concerned with the matter over the years and has been faced with it, as many Members of the Congress are, and I compliment him for his very persuasive position.

Mr. MATTHEWS. Mr. Chairman, I have to strike the requisite number of words.

Mr. Chairman, under the miscellaneous provisions of this bill are extensions of the lease and transfer of tobacco acreage allotments for a period of 4 years, and a provision granting the permanent exemption for peanuts for boiling from coming under acreage allotments.

My colleagues on the Committee on Agriculture will recall that I am the author of this original legislation, in both instances, and I am grateful to the Committee on Agriculture for presenting these programs to the House for consideration.

Earlier this year I told the House in a prepared address that approximately 27,000 farmers had taken advantage of the lease and transfer provisions of tobacco acreage allotments. This has been a very popular program. The flue-cured tobacco farmers of Florida have approved it enthusiastically. This bill has made it possible for many small farmers to stay in business and it has made a more profitable production for all farmers who have used the law.

Overall production has not been noticeably increased as a result of this bill. The lease provisions are limited within the county for a period of a year at a time and for an acreage not to exceed 5 acres.

I am grateful that in this bill permanent exemption would be granted to peanuts for boiling purposes from the provisions of acreage allotments. There are less than 3,000 acres of peanuts planted for boiling in the Southern United States, but there are many small farmers and children of farmers who receive most of their cash income from the production and sale of green peanuts for boiling, and there are several plants which process these boiled peanuts and sell them in cans. We have a modest boiled peanut industry, I think, which make a significant contribution to the economy of rural areas.

Mr. Chairman, I want to apologize to my dear friend from New York [Mr. O'BRIEN] for getting us away from the dairy problems and getting to a matter that might be a little different. I want to talk about boiled peanuts, if I may.

Mr. Chairman, many of us have doubts about this omnibus bill. It reminds me of a gentleman who lived in one of our Southern States. Some years ago he

was running for justice of the peace. He said to his boy one day, "Junior, come and go politicking with me. Everybody is for your father, nobody against him."

The boy said, "All right, pa." They jumped into the buggy and the old man said, "Get up, Maud." Away they went, and they soon came to a farmer by the name of Bullett. Bullett came over and asked, "What are you doing out here?" The old fellow running for justice of the peace said, "I came to politic, and I want you to vote for me."

Bullett said, "You low-down, dirty blacksnake, I never voted for you, I would not vote for you if you were the last one in the world, and if you do not get started I am going to go back up and get my shotgun."

The old fellow said, "Get up, Maud." After a time down the road his young son said, "Pa, he is not for you." Whereupon his father said, "I would not say that. I would say he is doubtful."

Mr. Chairman, I would sense from the colloquy around here that there might be one or two "doubtful" colleagues about the omnibus bill, but I am so confident in your good judgment, I am so confident of your impeccable understanding that, sir, I will say there will not be one dissenting vote cast against the permanent extension of peanuts for boiling purposes from the provisions of acreage allotments.

Mr. Chairman, last year I distributed in the cloakroom some of these magnificent specimens of boiled peanuts.

These peanuts taste like radishes or rutabagas or turnips. They taste like boiled potatoes. They are really a vegetable. They taste like the Sebago potatoes that are grown in my particular district.

Something that makes me a little bit unhappy is that some of my colleagues feel that distributing these peanuts hurts the cause of boiled peanuts more than it helps. So today I felt that we would not distribute these peanuts. But I do have some available and I will go back to the cloakroom after my talk and if any of my colleagues would like to accept the little humble offerings I have, I shall be delighted to share them.

Mr. Chairman, I would be glad to yield to any of my distinguished colleagues if there is any question that anyone would like to ask. I am glad to see there is no question and I thank my colleagues for their unanimous support.

Mr. OLSON of Minnesota. Mr. Chairman, as a member of the House Committee on Agriculture and representative of an agricultural area in which dairying is a very important source of income to farmers, I have had to balance the features of the agricultural bill, H.R. 9811, which I think are worth while and need enacting, against certain other features of the bill which I consider wrong and poor legislation.

I have supported the bill because, in my judgment, it is necessary that the titles dealing with wool, feed grains, cotton, and wheat must be enacted if we are to have an acceptable agricultural pro-

gram. These titles deal with important crops for which the Federal programs are needed. On the other hand, I do not think the dairy title of the bill is sound. Therefore, although I support the bill, I want to make it clear to the House that I am not in support of the dairy title and consider it to be at the least poor legislation which in all probability will cause more harm than good.

My reasons for objecting to the dairy title of the bill are quite simple.

This bill does nothing for that segment of the dairy farming industry which is most severely depressed—dairy farmers who produce primarily manufacturing milk. These producers far outnumber fluid milk producers, that is, dairy farmers who produce milk for distribution as fluid—bottled—milk. Manufacturing milk producers do derive considerable benefit from the Federal price support program. However, under the law and under current supply and demand conditions, price supports for manufacturing milk and butterfat are fixed at 75 percent of parity.

On the other hand, for many years income and prices to fluid milk producers have been supported and maintained by the Federal milk market order program fixing prices which handlers must pay fluid milk producers for their milk. These orders are in effect in about 80 milk markets in the United States and cover more than half of all milk consumed as fluid milk—in bottles—in this country.

Undoubtedly, the operation of the Federal milk market order program has been of very material aid in maintaining and enhancing prices and returns to fluid milk producers.

In addition, the fluid milk producer benefits materially from the price support program for manufacturing milk and butterfat. There are two reasons for this.

First, fluid milk prices in most fluid milk markets are based directly on the price of manufacturing milk, and thus any enhancement of manufacturing milk prices because of the Federal price support program is immediately reflected in the level of fluid milk prices under the orders.

Second, for all surplus milk marketed by fluid milk producers, they receive the same price for such milk as manufacturing milk producers receive for all their milk—currently 75 percent of parity.

Under the Federal milk order program, huge surpluses have developed in fluid milk markets. As a matter of fact, in some of the larger markets, about half of the milk produced for the market must go into manufacturing uses because it cannot find sale as bottled milk at prices established under the orders. Under the order system, the differentials which fluid milk command over manufacturing milk prices have been practically doubled since the war without, as far as I know, corresponding increases in the cost of production of this milk relative to manufacturing milk production costs, and are being held at this relatively high level by the order program. This, of course, is the major reason for the large surpluses in a number of fluid milk markets.

This bill will not reduce surpluses in Federal order markets. I know this is the guise under which this legislation is being presented to you, but I am sure it will have no effect in reducing these surpluses. To have any effect, it would be necessary to price the surpluses at such low levels that the price could not cover the variable costs of production. Indications are that the variable costs of production of milk qualified for fluid milk consumption are less than manufacturing milk prices.

The dairy title of the bill will grant a monopoly to the local fluid milk producers. It does this by authorizing provisions in orders which would allocate fluid milk sales to producers currently on the market, with such allocation based on the producers' production record which may cover more than a year. This means that all the high value market would be assigned to fluid milk producers and none of this market would be left to pay producers who are seeking to enter the market and better their economic condition.

Thus, present producers will be granted a "right" to these markets and other producers will be denied entry and the right to sell their milk to the best advantage.

The only time a new producer can earn a base or quota, as this proposed legislation is drafted, is when fluid milk—class I—sales increase.

Under the guise of holding down production, this bill can in fact be used to engineer large increases in fluid milk prices either directly under the orders or by negotiation of prices above the orders—which negotiations could only be effective because the order will shield them from the competition of milk of other producers who otherwise would enter the market.

It is my opinion that rather than being so concerned about the wheat title of this bill being a "bread tax," city people should be most seriously concerned with the opportunities that the dairy title of this bill will grant local monopolies to increase the price of fluid milk in bottles on a major portion of the milk so consumed in the United States.

Bases or quotas under this bill will be transferable and, since they represent the allocation of a "right" to a valuable market, will in time develop great value. For example, take a producer selling 500 quarts a day who wishes to enter the fluid milk market. To do so, he would, under this proposed legislation, have to have a "base." Assuming the fluid milk—class I—price per quart payable to producers to be 11 cents, and the price paid for excess milk over fluid milk use is 7 cents per quart, such a producer obviously would be quite interested in buying a base in order to enter the higher priced market; that is, get a share in, or a "market right," to a portion of the fluid milk market.

The difference of 4 cents per quart between fluid milk—class I—prices and manufacturing milk for a 500-quart producer is \$20 per day, or \$7,300 per year. Therefore, if a producer contemplated remaining in the business only 1 year, he would break even if he paid \$7,300 for a

500-quart base. If he estimated a 2-year operation, he would break even if he paid \$14,600 for the base or quota, and likewise if he figured only 3 years operation, he could afford to pay \$21,900 for the base or quota and still be just as well off after the expenditure of such a large sum of money.

However, most of the producers will consider they are going to remain in the business for some years and in those circumstances it is easy to see that the value of bases—quotas—will become quite high. This inevitably means that the cost of production of fluid milk will increase as the value of bases is capitalized into farm values. This will result in higher prices to consumers because of increased cost of production which would necessitate higher prices to producers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. O'BRIEN].

The question was taken; and on a division (demanded by Mr. O'BRIEN), there were—ayes 83, noes 78.

Mr. STALBAUM. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. O'BRIEN and Mr. HAGEN of California as tellers.

The Committee again divided, and the tellers reported that there were—ayes 89, noes 105.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—WOOL

SEC. 201. In section 703 of the National Wool Act of 1954, as amended (68 Stat. 910, 72 Stat. 994, 75 Stat. 306), the second sentence is amended to read as follows: "Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending December 31, 1969."

SEC. 202. In section 703 of the National Wool Act of 1954, as amended, the proviso at the end of the third sentence is amended to read as follows: "Provided, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor nor shall be lower than 77 per centum of the parity price therefor."

SEC. 203. In section 703 of the National Wool Act of 1954, as amended, the fourth sentence is amended to read as follows: "If the support price so determined does not exceed 90 per centum of the parity price for shorn wool, the support price for shorn wool shall be at such level, not in excess of 90 per centum nor less than 77 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred and sixty million pounds of shorn wool."

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 4, lines 15 and 16, strike the words "77 per centum of parity" and insert in lieu thereof "75 per centum of parity".

Page 4, line 22, strike the words "77 per centum of parity" and insert in lieu thereof "75 per centum of parity".

(Mr. FINDLEY asked and was given permission to proceed for an additional 5 minutes.)

Mr. FINDLEY. Mr. Chairman, I am sure that there is no one in this body who has not encountered a time or two expressions that are almost always used in a derisive sense—"Brannan-type payments," "Brannan plan," and "Brannan payments to the farmers." I daresay there are Members on both sides of the aisle who have pledged to their constituents at one time or another that they will never support any Brannan-type program for American agriculture.

The wool program, a program which has been on the books for several years, is a Brannan-type program. It provides direct payments to farmers. The administration in supporting the extension of this program did not recommend the increase in wool payments provided in this bill. The administration instead supported a continuation of the same minimum support level under which the direct payments are computed to wool growers as has been on the books in recent years. However, instead the Committee on Agriculture saw fit to increase the minimum which definitely means higher payments. I think we should take note of the fact that this increase will cost the taxpayers about \$5.5 million additional.

As I say, we should bear in mind that this is a pure direct-payment program, a Brannan-type program.

If this title does remain in the bill—and presumably it will, because it is not one of the more controversial elements in the legislation—we should at least refrain from jacking still higher these direct payments to the woolgrowers. This program, like the other programs provided in this bill, has been ineffective. The original idea was that if we had direct payments to woolgrowers wool production would be stimulated in this country to such an extent that the import of wool would no longer occur. Yet in the year in which the return for the woolgrowers exceeded 100 percent of parity—the highest parity level for producers of any commodity in that year—the program was not effective in stimulating wool production.

My amendment would simply reinstate in this extension of the wool program the level of price support which has been in the program up to now. The choice is clear. Those for taxpayers should vote for the amendment. Those who have more woolgrowers than other taxpayers may wish to vote "no."

My amendment would have the effect of reducing the cost of this legislation to the American taxpayer by the amount of \$5½ million.

The wool program is not the only example of Brannan-type payments provided in this legislation. You might be interested in the size of the payments to individual producers which this legislation will make possible.

The total amount of cash out of the Treasury directly or indirectly which individual farmers can get as a result of one or more of these programs is staggering.

Under the wool program, for example, one producer in the 1962-63 marketing year got a payment out of the Treasury in the amount of \$44,672.

Let us turn to feed grains. Assume a fellow with 1,000-acre feed grain base, with a 70-bushel yield for corn, which is a modest yield figure. Price support payments, and diversion payments he would get for participating under the feed grains program would be \$18,550 a year.

Turn to the cotton title and assume the language in the cotton program stays as now in the legislation—and certainly no one knows what is going to come out of this committee—there are several cotton producers who have allotments of 10,000 acres or more. Assuming full participation under the cotton program, under the provisions set forth in the language of this bill before us, can anyone estimate the grand total payment he would get? The answer is \$952,250; not for a lifetime, but for 1 single year. That is almost \$1 million a year.

Let us go to the wheat title for illustration. I asked the Department of Agriculture to place in the hearing's record some examples of top payments to wheat producers. For some strange reason they were not forthcoming. But, as you know, there are many wheat farmers who have allotments of 10,000 acres or more. Let us see what a 10,000 wheat allotment farmer would get under the provisions of this proposed program. Assuming full participation in the wheat program, the wheat farmer, with a 10,000 allotment would get \$140,625 per year.

Let us consider the proposed cropland adjustment proposal. Let us assume a farmer with 1,000 acres—and there are lots of them—who put his entire farm under the cropland adjustment program. Let us further assume that this man in making a contract with the Secretary of Agriculture will get the average rental rate per year which the Secretary of Agriculture anticipates making under this program. For the 10-year contract period that farmer could get \$176,000 from the taxpayers. And, he could get the payment in advance, if he is willing to take a 5-percent discount.

So, Mr. Chairman, a man with a thousand acre farm receiving just the average rate of rental payment, would receive a payment of \$176,000, and believe me, that is not the largest payment which could be authorized.

Mr. CALLAN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am now glad to yield to the gentleman from Nebraska.

Mr. CALLAN. Would the gentleman from Illinois tell me how many farms in the United States have a feed grain base of over 500 acres?

Mr. FINDLEY. I cannot recall this fact.

Mr. CALLAN. If the gentleman will yield further, I have some figures here that show there are 5,563 farms out of a total of 519,000 total. This would then follow a little that only slightly over 1 percent of the farms in the United States have a base of over 500 acres.

Mr. FINDLEY. This is very helpful information because it means that 1 out of every 100 farms would be entitled to a gigantic payment.

Mr. CALLAN. If the gentleman will yield further, under the entire feed grains program the bulk of the farmers in this

country fall not in this 500 acre class but in the acre base of 26 to 50 and 51 to 100 acre base. When we talk about payments, yes, there will be some large payments, but the majority of the payments made will be to the small producer.

Mr. FINDLEY. Yes, and I think that the gentleman will agree with me, however, that this program does make possible some gigantic payments, considerably above the \$3,000-a-year, poverty-level definition that we hear about these days.

Does the gentleman suggest that it is in the public interest for the taxpayers to be making payments of \$1 million or \$140,000 a year or anyplace in between to an individual producer?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BATTIN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. BATTIN asked and was given permission to revise and extend his remarks.)

Mr. BATTIN. Mr. Chairman, I had not intended to impose on the time of the Committee, but I think the remarks made by the gentleman from Illinois [Mr. FINDLEY] were very unfair. They certainly left me with the impression that every farmer in America is going to draw gigantic payments.

I come from an area that has some large wheat producing farms. We also have an average income to the wheat producer in the State of Montana of a little over \$3,000 a year, which is the poverty level about which the gentleman from Illinois speaks.

Mr. Chairman, I do not believe it is right to take an individual situation and try to apply it generally. I believe someone said, "Oh, how different things would be if they were not the way they were."

If what the gentleman from Illinois cites happened in the majority of cases, we would not be here today debating a farm bill.

I would be the last one to tell you that I approve of all of the provisions of this bill. There probably is not a Member of Congress who approves of all the provisions of this bill. But a bad situation does exist and there has been a conscientious effort made by the members of the committee to come to some agreement. It pleases some and it displeases others, yet the farm problem is not settled with words.

Mr. Chairman, in the not too distant future we will be considering a minimum wage bill that will apply to farmers, and in addition, we are going to be considering an unemployment benefit bill that will apply to some farmers. We are therefore talking about the one group in the country which has not benefited in the increased scale of earning capacity in America. We give and then take away and all in the same Congress.

Yet it is the farmer that provides for the American people far more in the way of health and benefits than any other group.

Visualize, for instance, what your consumers would be paying if they went to the grocery store to buy food of all descriptions, cotton, and all the rest of

the commodities covered in this bill, if they were all in short supply. You would not be talking about a bread tax or a subsidy, you would be talking about the high cost of the commodity.

The only reason I take this time is to correct the impression left by the gentleman from Illinois. I do not think he honestly meant to leave the impression that all of the farmers who participate in this program, whether they want to or feel compelled to, are going to receive these gigantic payments to which he referred.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from Illinois.

Mr. FINDLEY. I intended to clarify some facts of life, and to illustrate how big the payments may be under this authorization.

Mr. BATTIN. I grant that some of the payments are large, but at the same time if a person in his lifetime has been successful and becomes a big farmer through his own efforts he should not be penalized. Is the gentleman suggesting he should be penalized?

Mr. FINDLEY. I would ask the gentleman if he would object to a limitation on the total Government amount that a farmer may get.

Mr. BATTIN. I say to the gentleman if we have a program, and it is going to apply to the wheat farmers or corn producers, it should apply equally across the board. You have a program or you do not. I do not approve of what is happening, but I do not like the impression to be left that all farmers in America are going to draw a check for a million dollars.

Mr. FINDLEY. Some farmers could get around a million-dollar payment.

Mr. BATTIN. Have you considered what investment the farmers have made? The payment is not profit. The check they receive is not profit; it is not something he can put in the bank and forget. He has had to make an investment in land, he has had to make an investment in stock, he has had to make an investment in machinery, he has to live.

Mr. FINDLEY. The gentleman surely does not suggest that capital investment carries with it entitlement to Federal payments?

Mr. BATTIN. No, but if you have a person who has invested capital and he has put it into the business of farming as an investment and he goes into a Government program the program should apply to all in the same fashion. Realize the program is not net income or profit.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Without agreeing or disagreeing as to whether or not this is a good program, let us get this thing in perspective. When the Government puts out price supports to the farmers it does it to reduce their production, and not for the purpose of making the farmer rich.

Mr. BATTIN. Yes.

Mr. BELCHER. If the farmer could keep his production down and sell at the market price without subsidy, that would

be the best system. We pay them to reduce production, and you can reduce production on a 10,000-acre farm as well as you can on a 100-acre farm.

Mr. POAGE. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, after listening with astonishment to the newly self-anointed administration leader, I am, I confess, somewhat confused. But while discussing a wool amendment—an amendment to the program on a deficit crop, a crop on which we want to increase production—the gentleman says he does not want to encourage larger producers, I am even more confused. The gentleman seems to have forgotten what he is talking about. In his zeal to represent the administration—and I do not know that he has any credentials to represent this administration, or surely none that would be recognized at the White House, but since the gentleman has assumed that obligation—I just wonder whether he is here to talk about the wool program or is he simply attacking the wool provision for the purpose of discrediting the farm bill. Of course, we must take judicial notice of the fact that the gentleman is against all farm bills.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. FINDLEY. My purpose was not to represent the administration but to try to keep the leadership on the House floor from, you might say, pulling the wool over the eyes of this body and conveying the impression that the administration really wanted to jack up the level of the payments to the wool growers. This certainly is not the case and I am sure the gentleman would agree with me.

Mr. POAGE. I certainly would not agree with the gentleman because I believe this administration wants a sound wool bill. I have no information to the contrary and I would doubt that the gentleman from Illinois has any such information.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. RESNICK. Is there not a favorable report from the Department on the wool bill?

Mr. POAGE. We received a report at the beginning of the session suggesting that we should extend the wool bill and that is what we have done. There is nothing in this bill except an extension of the existing program with the one exception that was mentioned here yesterday and which the gentleman from Illinois now opposes.

We have assured the producer of wool that his purchasing power will remain the same if he produces the same amount of wool he has been producing. What has been happening over a good many years is that the fixed dollars and cents support in the wool bill that we have had—62 cents means that: although, the wool producer has received the same dollars and cents support that he received 12 years ago, his purchasing power is not at great as it was by any means. It has been cut and in fact it has been cut by something like almost 30 percent. So

the actual support in buying power on wool today is not nearly as great as it was a few years ago. The only change that there is in this bill will be to assure in the future that the purchasing power of the wool producer will not be reduced.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. FISHER. It is also a fact, is it not, that under this more flexible proposal which the gentleman has referred to, the support level might go down?

Mr. POAGE. Yes.

Mr. FISHER. The support level might go down below what it would otherwise be?

Mr. POAGE. That is possible.

Mr. FISHER. It certainly is possible.

Mr. POAGE. But I do not believe they are going to find the prices of everything that the farmers buy going down, and if they do, then the support prices will go down.

Mr. FISHER. That is if we are in more of a rising economy, but in the event it goes the other way to where the producer makes more and gets higher prices or the parity goes up, why is it conceivable under the flexible plan which is in the bill, it might actually cost the Government less than it does at this time.

Mr. POAGE. That is absolutely true. But the only purpose of this amendment, at least, the only effect of the amendment is simply to reduce the living standards of the woolgrowers of this Nation, and I think it is already too low. I hope the amendment is defeated.

Mrs. MAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in defense of the National Wool Act as extended in title II of this bill. In the first place it is important to bear in mind that in 1954 the U.S. Tariff Commission, following an investigation under section 22 of the Agricultural Adjustment Act, recommended to the administration that the duty on imported wool be increased 10 cents per pound. The White House said that due to relations with our friendly nations shipping wool here this additional duty could not be imposed. The National Wool Act was then evolved in lieu of a tariff increase. Payments under the act are limited to 70 percent on the duties on wool and wool manufacturers.

Now statements have been made that the Wool Act has not boosted wool production. There are several important factors not related to the Wool Act that have prevented an increase in wool production. For one thing, we have had some serious drought conditions since the inception of the program in several of our important sheep-producing States. Texas, for example, which accounts for approximately one-fifth of the Nation's wool production, has had several serious drought periods since 1954. New Mexico in the last year has had a decline in sheep population due to drought conditions. Another factor which started a liquidation trend in sheep numbers in 1960, after several years of increase, was the discouragingly low lamb prices. By 1961 the average farm price of lambs had dropped to a low of \$15.80 per 100 pounds,

due to short-term and unusual marketing problems. Other contributing factors to liquidation have been reductions in grazing allotments on Federal lands; difficulties in securing adequate, efficient herders; and losses from predatory animals.

It should be pointed out that the Wool Act was responsible for alleviating the liquidation trend caused by drought and marketing problems. Furthermore, the Wool Act was a factor in increasing our sheep production during the 3 years 1958 through 1960. I do know that many growers have stated that they would not be in the sheep industry today if it had not been for the National Wool Act.

With a better lamb market and with a National Wool Act as provided in this bill, growers tell me they feel we can look forward to an increase in the sheep population, at least on a gradual basis.

As for the statement that provisions for extending the act in the farm bill will make the program more expensive, I would like to point out that the Wool Act program on an annual basis is costing less than half of the annual average costs during the first 7 years of its operation. While part of this is due to production decreases, it is largely due to the fact that the market price of wool has improved, thereby reducing the amount of payments necessary to compensate for the difference between the market level and the incentive level. During the 11-year operation of the Wool Act program, the incentive level has remained at 62 cents while the costs of production have risen approximately 15 percent. This is perhaps the only fault in the present program—the fact that there has been no reflection whatsoever through the incentive level in the increase in production costs. The 77-percent-of-parity floor on the incentive level provided in this bill would still not compensate for increased production costs but would permit a very modest increase in the level—about 3 percent—and could be an encouraging factor in halting the liquidation trend.

Critics of the National Wool Act need to be reminded once again that this program was established in lieu of a tariff increase which the U.S. Tariff Commission found justified in 1954. Furthermore, these critics have come forth with no alternative program. Certainly we do not want to go back to the old and unsatisfactory loan program whereby wool went into Government stockpiles at high storage expense to the Federal Government, where it built up into surpluses that depressed the market. Certainly it is better to have it selling freely on the open market as it does under the National Wool Act.

In spite of drought low lamb prices, and the other problems that I have mentioned, the Wool Act has helped to maintain a domestic sheep industry and has helped to maintain a domestic supply of wool so that the United States has not been left to the mercy of foreign wool producers in supplying our needs. It is a good program, one that has been working well, and one that should be extended.

[Mr. DON H. CLAUSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BERRY. Mr. Chairman, I am opposed to the amendment of the gentleman from Illinois which would reduce the support price on wool from the proposed 64.1 cents to 62.5 cents.

Let me say that the wool program has been the most successful of all farm programs and any attempt to strangle it to death would be very unfair.

The National Wool Act was passed originally to save a domestic wool industry from unfair foreign competition. The wool people were asking for a tariff protection, the administration was reluctant to stop imports or to reduce them by a tariff increase and offered in lieu thereof to establish a support price on domestic wool paid for out of tariff revenues under title 22. It has been a good program, it has been successful, it has kept the wool producers from being put out of business and the act should be extended.

There is another point to be considered and that is that this is a 4 year program, operating costs will go up instead of down in the next 4 years. The support price is being raised only 2.1 cents which is not enough, it should be increased rather than decreased. I hope the amendment will be defeated.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Illinois [Mr. FINDLEY]. As has been stated previously the National Wool Incentive Act has worked successfully over the years and I believe should be extended.

The prime reason for establishing the program in 1954 was to develop what in effect is a "revolving fund" designed to provide incentives for wool growers but more importantly to provide a payment to equalize and stabilize his competitive position with foreign wool producers shipping to this country—in lieu of a tariff increase. I believe this to be a very pertinent point because it does permit the continuing trade and friendly relations with foreign countries without jeopardizing the economic well-being of our domestic wool producers. The funds paid into our Treasury from the foreign producers creates the aforementioned revolving fund and thus provides the vehicle that retains this amicable arrangement and in many cases, provides the necessary incentive to keep our wool producers in business. The resultant benefits to our domestic wool consumers, the jobs created in the country and the overall contribution to our economy speak for themselves. I urge rejection of this amendment.

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mr. MORRIS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. MORRIS asked and was given permission to revise and extend his remarks.)

Mr. MORRIS. Mr. Chairman, it is with some reluctance that I take the floor to discuss the omnibus farm bill

which is presently under consideration. To start with, I would like to read the title of the present bill, H.R. 9811: "To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes."

I would also like to read the title of the 1961 omnibus farm bill which is now Public Law 87-128: "An act to improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefore, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interests of consumers and for other purposes."

Now, I would like to read the title of the Food and Agriculture Act of 1962, which is now Public Law 87-703: "An act to improve and protect farm income, to reduce cost of farm products to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes."

The title of H.R. 6196, which is now Public Law 88-297 reads as follows: "To encourage increased consumption of cotton, to maintain the income of cotton producers, to provide a special research program designed to lower costs of production, and for other purposes."

I think you can readily see the great similarity between the objectives of the past and this pending legislation. Let us take a look at the results. It is becoming increasingly evident that our present commodity programs are not increasing farm income. They are not preventing the accumulation of surpluses. They are not holding down the production of wheat, cotton, and feed grains. They are not keeping consumer food prices in line.

The Bureau of Labor Statistics Retail Food Price Index shows the cost of living at 106.6 for January of 1965 and 110.1 for June, an increase of almost 4 percent in 6 months.

The parity ratio today stands at about 78 percent, near the lowest in years. Farm prices in 1964 were 15 percent lower than in the postwar period. Farm debt is twice what it was 10 years ago. Last year, American farmers earned on the average about \$1.05 an hour—less than the minimum wage, and far less than the \$2.61 average now prevailing for industrial workers.

I realize that farmers are not benefiting from the increase in retail food prices. But is it valid to continue with the same programs under which this disparity between farm and retail prices has come about? Are we so wedded to price supports and acreage controls that

we cannot—or will not—face the facts that they are not working?

H.R. 9811, among other things, is designed to reduce Government costs. In this respect, its goal is no different from other farm bills. I have no desire to question the sincerity of anyone whose desire it is to bring about these objectives but I think that the evidence points to the fact that these purposes, laudable as they are, just have not been accomplished.

Specifically, I wish to discuss three phases of the farm bill—feed grains, title III, the wheat section, title V and, last but not least, the cotton section, title IV.

The Feed Grains Act which would be extended 4 years by this legislation, has reduced the carryover from approximately 87 million tons to 57 million tons since mid-1961 although there is some difference of opinion as to whether or not all the reduction can be attributed directly to legislation. But let us assume that it is. What did it cost to reduce this carryover? According to the best figures that I can find, the cost of reduction varies from \$3 to \$6 per bushel corn equivalent depending upon how you arrive at the cost. Regardless of which figure per bushel you adopt, either \$3 or \$6, it is an extremely expensive price; almost three times the value per bushel of the feed grain itself. Did it actually reduce the feed grain crop this year? Not according to the USDA Crop Production Report of August 10, 1965, from which I quote:

Corn production is forecast at 4.1 billion bushels, 15 percent more than in 1964 and 7 percent more than the 1959–63 average. A record high yield per acre of 71.5 bushels is estimated—4.0 bushels above the previous record high in 1963.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORRIS. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

Mr. COOLEY. Mr. Chairman, reserving the right to object, we are on the wool section of this bill, which is a simple section, which was considered by the subcommittee and accepted by them and unanimously reported to the full committee. There has not been any controversy about it except for one amendment offered by the gentleman from Illinois [Mr. FINDLEY] which is now pending. I would like to vote on it. I am not going to object to the gentleman's unanimous consent request for the extension of his time but I would like the House to know that we will be here until midnight if everybody keeps on talking.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. MORRIS. I thank the gentleman for not objecting.

Let us look at the wheat program which many of us supported and which we hoped would reduce the surplus, production and cost. According to the USDA's Crop Production Report of Au-

gust 10, 1965, of all wheat produced is estimated at 1.4 billion bushels, up 7 percent from last year and 16 percent above average. The certificate plan of 1964 was designed to do all the things that the new proposal is designed to do. But did it work? Did it hold down the production of this year's wheat program? According to the USDA, it did not. In all fairness to the program, I think, to some extent, it did raise the income of the wheat farmer at the expense of the Treasury.

Let us now look at the cotton program which I have come to the conclusion is the worst of all the programs that we are proposing. It seems to move from one costly failure to another. Last year's cotton program cost the American people approximately \$860 million. When we passed the program we were confident that consumers would save \$500 million approximately in price reduction for textiles. The prediction never even began to be fulfilled. The net effect of last year's program was that \$483 million was paid to the cotton textile mills, \$377 million went for loans to producers, export subsidy for loans under Public Law 480 shipments and for domestic allotment payments for acreage diversion. The average value of cotton fabric taken from the Cotton Situation Report shows that in 1963 the average index was 60.00, in 1964 the average index was 61.29, and in 1965 the average index was 64.65, an increase apparently of the average cost of cotton fabrics instead of a decrease.

The production this year is apparently still going to be within a whisper of the 15 million bales which we produced last year. Now we have before us a new program and a combination extension of the old program. On the one hand it is designed to reduce cotton acreage by cash payments to farmers to reduce allotments from 15 to 35 percent. On the other hand if the grower chooses to ignore payments, it will allow him to grow all he wants without penalties and without subsidies. The Department of Agriculture estimates that expanded acreage might be as high as one half million acres which in some areas would produce over 1 million extra payments of extra cotton.

If the direct payment plan was objectionable when Secretary Brannan in all good faith proposed it, is it not still undesirable? Is it not just as undesirable for a farmer to raise cotton for sale to the Treasury instead of the marketplace today as it was when this was proposed by Secretary Brannan? Some people objected to the farm program of low price supports as proposed by former Secretary of Agriculture, Mr. Benson, but it seems to me that we have perhaps picked out the objectionable features of the programs of Secretary Benson and Secretary Brannan and thrown them into the cotton section—that is, the low price supports proposed by Mr. Benson and the direct payments proposed by Mr. Brannan.

I would like to conclude this discussion by emphasizing again how difficult it is to secure correct information or, to put it another way, to decide the accuracy of the information available regarding the farm program. I have the for-

tune or misfortune, depending upon your viewpoint, of an added complication by reason of my membership on the Subcommittee on Agriculture of the House Appropriations Committee. Presently we are in conference with the Senate, and it is not my intention to divulge privileged information or prejudice any of the conferees. I only wish to call attention to the members of this committee to page 38 of Senate Report No. 423 which accompanies the House Appropriations bill for the Department of Agriculture. The Senate committee recommends on this page \$3,226,800,000; the House recommended \$2,300 million, a difference of approximately \$927 million. Also I would like to read one paragraph from the Senate report on page 38:

The committee recommends an appropriation of \$3,226,800,000 to fully reimburse the Commodity Credit Corporation for the net realized losses incurred in fiscal 1964 in the conduct of regular price support, export, supply, and related farm program costs. The amount recommended covers the full realized loss for fiscal 1964 and is \$926,800,000 over the House bill and the budget estimate, and \$552,800,000 over the 1965 appropriations.

So you see, there is oftentimes a difference of opinion as to what the cost of these farm programs actually is, even among the members of the committee who are working most diligently. Our colleagues in the other body feel that the farm program has cost almost a billion dollars more than the House recommended. I think the Congress should think and study a longer time before they commit our Government to a 4-year program which raises so many unanswered questions.

In the President's farm message of January 4, he expressed the intention of reorganizing the National Agricultural Advisory Commission to conduct a fundamental examination of the entire agricultural policy of the United States. We have spent more than a generation in time and billions and billions of dollars on programs to increase farm income, and all these programs have succeeded only in removing a large percentage of farmers from the land and driving farm income ever lower and lower. Rather than commit ourselves to a 4-year stretch on commodity programs which are so full of faults as those we are considering in H.R. 9811, good sense dictates that we seriously consider such a study. We have tried all of the variations on the present theme; they have been costly, and they have not given us answers. The American people have been patient with our efforts, but their patience is being sorely tried. I hope the bill will not pass.

Mr. COOLEY. Mr. Chairman, I would like to make inquiry as to how many would like to speak on the wool section. We only have one amendment pending on the wool section. I would like very much to have a vote on that and I ask unanimous consent that all debate on the pending amendment to the wool section and all amendments thereto close now.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The amendment was rejected.

Mr. POOL. Mr. Chairman, I move to strike the last word.

(Mr. POOL asked and was given permission to revise and extend his remarks.)

Mr. POOL. Mr. Chairman, my distinguished colleague from Dallas [Mr. CABELL] is in the hospital and he asked that I ask certain questions of the gentleman from Wisconsin [Mr. STALBAUM], if the gentleman would be so kind as to try to answer them.

I shall pose the questions to the gentleman as follows:

The distribution area served by individual dairy plants and the distances from which milk supplies for individual plants have been regularly obtained has increased very rapidly and extensively in the past few years.

This increased freedom for milk to move between and among markets has contributed a great deal to the efficiency of the dairy industry, benefiting both producer and consumer.

Therefore, Mr. Chairman, I would like to inquire of the gentleman from Wisconsin as to whether this bill would in any manner limit the right of milk to freely move between markets.

Mr. STALBAUM. Mr. Chairman, if the gentleman will yield, and answering the question of the gentleman from Texas, the section or title I of the bill which relates to dairying would in no way restrict the movement of milk between various areas.

Mr. POOL. Further, is it the intent of the committee that the famous Andresen amendment as reported in section 6085 (g) is not changed or its application limited by this bill?

Mr. STALBAUM. If the gentleman will yield further, in answer to that particular question, I am not completely familiar with the Andresen amendment which was passed long before my time. But I understand it was designed to preclude any restriction on the movement of milk in any area and based upon my interpretation of it this would be correct.

Mr. POOL. The answer to that question would be "Yes"?

Mr. STALBAUM. In other words, it would be in line with the Andresen amendment.

Mr. POOL. The present section provides certain guidelines which the Secretary of Agriculture must consider in establishing the price which handlers must pay producers for the milk purchased. Although there are several guidelines, the pricing standard is dominated by the supply and demand criteria. In addition to other considerations he must fix such prices that will insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

Since this bill has as one of its express purposes to reduce the surplus marketings of milk, I would like to ask the distinguished gentleman if it is intended that the higher class prices would be justified under the supply-demand part

of the pricing guidelines following a reduction of marketings of surplus in those markets adopting the provisions authorized by this bill.

Mr. STALBAUM. If the gentleman will yield further, actually today most of the markets have surpluses far, far in excess of even starting to come under the supply and demand adjustment criterion that the gentleman mentioned. I would, however, state that it is my own personal opinion—and bear in mind title I of the bill does not in any way get into that part of the order and I want to make this clear for the RECORD—it does not affect that at all; it would be my own belief and desire that if you reduce the surplus it should not increase the price of class 1 milk. In presenting the class I plan I strongly emphasized that it should not increase the price to consumers.

Mr. POOL. Since the answer is no, does not the gentleman think it would be proper for the Secretary, in determining the supply-demand balance, to consider all supplies potentially available to the market, and not just those being marketed in the market at the time?

Mr. STALBAUM. I say again that is not part of the class I base plan, but it is a problem we are finding in the Midwest now, where certain markets are extremely short of milk, and other areas are long on milk. I do not think under the present Agricultural Act or under the orders as now set up they can go to other markets. This is being reviewed in Chicago at a hearing to be started in September. I would be hopeful there would be testimony presented to permit the Secretary of Agriculture to look at the supply of milk on other markets.

Mr. POOL. On behalf of the gentleman from Texas, I thank the gentleman from Wisconsin for his answers.

Mr. PELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I sought recognition to try to get some information. I was just handed a telegram which I want to read into the RECORD and then ask for comment by one of the members of the committee. This telegram reads as follows:

MY DEAR CONGRESSMAN: The King County Labor Council urges you to withhold support of H.R. 9811 agriculture bill which would grant farmers subsidies of over \$6 billion. We urge you to demand clarification of the Agricultural Department's attitude toward the rights of the American merchant marine to participate in shipment of farm products. Your support and consideration of this position is urgently requested.

This telegram is signed, C. W. Ramage, executive secretary, King County Labor Council of Washington, AFL-CIO.

Mr. Chairman, I would like to ask one of the members of the committee what exactly is the attitude of the Department of Agriculture with regard to the use of American-flag ships, and the American merchant marine in carrying grain under Public Law 480?

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from New York.

Mr. RESNICK. I do not think that is a question that can be answered by any

member of the committee. That is up to the administration. We are deliberating here on a bill. What happens subsequently, we cannot determine, and that has nothing to do with this bill.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from California.

Mr. HAGEN of California. I would like to read into the RECORD a letter I received from the Secretary of Agriculture, as follows:

There is nothing in H.R. 9811, the farm bill, which in any way would adversely affect the interests of the American merchant marine. On the contrary, because this legislation does away with export subsidies on major crops such as cotton and wheat, world trade in these commodities will be increased and it would certainly be our hope that through this increase in world trade, benefits would accrue to American shipping.

I want you to know that I have always been a supporter of a strong American merchant marine. The Department and I have worked very closely with the President's Maritime Advisory Committee in an effort to develop a sound national maritime policy. I am officially represented on Under Secretary Boyd's interagency task force, which is also working closely with the Advisory Committee toward this common objective. The Department complies with and will continue to comply with the Cargo Preference Act.

In our efforts with the Maritime Advisory Committee, the Boyd task force, and in relation to cargo preference, my desires have been to protect the interests of our merchant marine as well as the interests of the farmer.

H.R. 9811, in addition to strengthening world trade, will continue the successes we have made in agriculture—reducing surpluses, keeping a stable supply of food for our consumers, reducing Government expenditures, and strengthening farm income.

I am sure you share with me the belief that these are vital to our Nation.

Mr. PELLY. Mr. Chairman, I want to express my appreciation to the gentleman from California for reading that letter. The gentleman is a member of the Committee on Merchant Marine and Fisheries. He knows we have passed legislation which was presumed to provide that at least 50 percent of all American cargos should go on American-flag ships. I only hope that under this program and under all other programs we can utilize our American-flag service.

Mr. HAGEN of California. I thank the gentleman and I hope the Secretary of Agriculture cooperates fully in that regard.

Mr. GILBERT. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from New York.

Mr. GILBERT. I thank the gentleman from Washington. May I say I was very interested in the communication that has just been read by my colleague, the gentleman from California. But the platitudes and statements in the letter are one thing while action is another thing. At the present time the Secretary of Agriculture is not complying with the cargo preference program to such an extent that up until recently they only used 22 percent of American-flag ships under Public Law 480. After protest this was increased to 38 percent. I still would persist with my colleague, the gentle-

man from Washington, in inquiring of the chairman of the Committee on Agriculture if he has discussed this question with the Secretary of Agriculture because at the present time the Secretary of Agriculture is not complying with the cargo preference law.

Mr. PELLY. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURPHY of New York. Mr. Chairman, I would like to point out to the chairman of the full committee a communication I received this morning from the Secretary of Agriculture in response to the questions I asked on the floor yesterday. Under unanimous consent I include this letter.

I certainly appreciate the response of the Secretary. However, I want to make it clear as I support this legislation that the intent of Congress in establishing the 50-50 ratio on Public Law 480 cargoes was that the 50 percent would be a minimum of the freight to be carried by American bottoms.

Last year American ships only participated in 38 percent of these cargoes, which seems to me to be an indicator that certain people in the Department feel that the 50 percent for the American ships is a ceiling and not a floor.

I will be asking the chairman of the full committee to cooperate later this year in a survey of the actual practices involving our cargo preference.

The letter follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 17, 1965.

HON. JOHN M. MURPHY,
House of Representatives

DEAR CONGRESSMAN: There is nothing in H.R. 9811, the farm bill, which in any way would adversely affect the interests of the American merchant marine. On the contrary, because this legislation does away with export subsidies on major crops such as cotton and wheat, world trade in these commodities will be increased and it would certainly be our hope that through this increase in world trade benefits would accrue to American shipping.

I want you to know that I have always been a supporter of a strong American merchant marine. The Department and I have worked very closely with the President's Maritime Advisory Committee in an effort to develop a sound national maritime policy. I am officially represented on Under Secretary Boyd's interagency task force, which is also working closely with the Advisory Committee toward this common objective. The Department complies with and will continue to comply with the Cargo Preference Act.

In our efforts with the Maritime Advisory Committee, the Boyd task force, and in relation to cargo preference, my desires have been to protect the interests of our merchant marine as well as the interests of the farmer.

H.R. 9811, in addition to strengthening world trade, will continue the successes we have made in agriculture—reducing surpluses, keeping a stable supply of food for our consumers, reducing Government expenditures, and strengthening farm income.

I am sure you share with me the belief that these are vital to our Nation.

Sincerely yours,

ORVILLE FREEMAN.

Mr. SWEENEY. Mr. Chairman, as the debate draws to a close on the 1965

omnibus farm bill, H.R. 9811, I wish to draw the attention of the House to the fact that many constituents from Ohio have written to me asking that my support of this legislation be withheld until such time as there can be secured a commitment that the Secretary of Agriculture would intend to comply with the explicit provisions of the Cargo Preference Act, as well as the foreign policy of the United States, and patronize American-flag shippers on Agriculture Department shipments abroad.

It should be noted that in April of 1962, President Kennedy issued a directive regarding the Cargo Preference Act which stated that, "section 910(b) requires that at least 50 percent of Government-generated cargoes move on U.S.-flag vessels. This requirement is a minimum and it shall be the objective of each agency to ship a maximum amount of such cargoes on U.S.-flag vessels."

Mr. Chairman, I am disturbed to note that there has been a repeated reference to the fact that the Department of Agriculture has consistently flouted the law in this regard. I believe that the Department of Agriculture should and must make an explicit commitment to toe the line with regard to patronizing American-flag maritime vessels. I would hope that such a requirement can be explicitly written into this farm bill.

In view of the interest of my constituents in this subject, I wrote to Secretary Freeman, and I am happy to attach hereto his response to me which indicates in clear and concise terms that he intends to have the Department of Agriculture comply with the Cargo Preference Act.

There are many who are interested in the welfare of the U.S. maritime fleet and who feel that this Government's policy has been altogether too inattentive to the needs of this industry. It will, indeed, be interesting to evaluate the Department's performance on the occasion of the next farm bill consideration by this House and to judge whether or not the Department walks as it talks, and would make a conscientious attempt to patronize American shippers.

I enclose a copy of Secretary Freeman's letter to me on this subject on August 18, 1965:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., August 18, 1965.

HON. ROBERT E. SWEENEY,
House of Representatives

DEAR BOB: There is nothing in H.R. 9811, the farm bill, which in any way would adversely affect the interests of the American merchant marine. On the contrary, because this legislation does away with export subsidies on major crops such as cotton and wheat, world trade in these commodities will be increased and it would certainly be our hope that through this increase in world trade, benefits would accrue to American shipping.

I want you to know that I have always been a supporter of a strong American merchant marine. The Department and I have worked very closely with the President's Maritime Advisory Committee in an effort to develop a sound national maritime policy. I am officially represented on Under Secretary Boyd's interagency task force, which is also working closely with the Ad-

visory Committee toward this common objective. The Department complies with and will continue to comply with the Cargo Preference Act.

In our efforts with the Maritime Advisory Committee, the Boyd task force, and in relation to cargo preference, my desires have been to protect the interests of our merchant marine as well as the interests of the farmer.

H.R. 9811, in addition to strengthening world trade, will continue the successes we have made in agriculture—reducing surpluses, keeping a stable supply of food for our consumers, reducing Government expenditures, and strengthening farm income.

I am sure you share with me the belief that these are vital to our Nation.

Sincerely yours,

ORVILLE.

Mr. POAGE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I just want to state that this bill in nowise changes the law one way or the other with regard to the preference given to American shipping. I think I can say for the committee that the committee has no disposition through the bill to make any change in any respect. There are a great many diverse opinions of Members scattered around here as to what should be in the law, but we are not changing or offering to change nor trying to change one thing relating to shipping.

This is another case where some people would like to have a change in conditions—and I am not blaming anybody—they come here and find the train rolling and they want to hook their caboose on to it and they want to ride along with a group that is going to an entirely different destination. This bill has nothing to do with the problem in which they are interested. This is one of those unfortunate things which sometimes confronts us. We try to avoid this sort of thing by the rules of the House. Under the rules of the House we say that an amendment is not germane. But under those same rules of the House, the gentleman can rise and inject a question without offering any amendment. I have no criticism of that because that is the way we proceed. But, as I was saying, any Member may rise and inject a question that has not the slightest relation to the subject matter now before us. This matter which the gentleman has brought up has absolutely no relation to the subject matter now before us.

The Department of Agriculture has pointed out that regardless of what anybody's position may be in the Department, they are carrying out the law so far as they can. Their very latest report, and I got it this afternoon, is that some 52 percent of the Public Law 480 shipments were moving under the American flag. Now that does not look like they were ignoring the provision. It looks to me as if they are carrying it out.

Whether it is a good provision or a bad provision—whether it is something we ought to change or whether we should not change it, this is no place to change it, and it does not add to or detract from the merits or demerits of this bill. It certainly should not be a matter on which we try to make a decision while we are discussing a bill that does not relate to that subject matter. I hope the

membership will keep their mind on the fact that we have before us a vitally important agricultural bill. Let us try to consider that and to consider this carefully and to give consideration only to the matter before us—I think that will give you all the work you need this afternoon.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to make it very clear that intricate maneuvering by the backers of this farm bill will not coerce or fool me into supporting what I believe to be an essentially bad piece of legislation.

It is not necessary to be an expert on farm affairs to detect the massive backing and filling that sponsors of the bill have been executing to attempt to grab a few votes here, a few votes there.

My own observation is that, if the bill is that bad, we should forget the whole thing.

I am keenly interested in two facets of this many-sided bill—wheat and cotton.

Wheat interests me because it is a staple of life, and what we do here affecting wheat inevitably must be felt by consumers.

Last year, I voted against the bill that wrote into law a regressive tax of 75 cents a bushel on wheat. This raised the price of bread, cake, macaroni, flour—and all other wheat products—to all consumers. That action of the Congress cost consumers of this country \$375 million.

Originally, in the bill before us today, the sponsors would have soaked the consumers even more by raising the bread tax to \$1.25 a bushel. That would cost consumers \$625 million.

I was against that.

Now they have changed the bill so that the added bread tax would be taken from the Federal Treasury. I am against that, too. How does one separate consumers from taxpayers, and vice versa?

Can I be for a three-fifths bread tax—75 cents—and for a two-fifths—50 cents—general tax on bread and other wheat products? I do not think so. I think both are wrong, especially in view of the well-known fact that farmers of this country have said in referendum they do not want a wheat certificate plan.

Now, as to cotton. Some textile mill owners in my own district have asked for my support of this legislation because of the cotton provisions. At one time last year—when cotton was handled in a separate bill—I voted to help the cotton textile industry.

But, then, the sponsors of this legislation wrapped all of their ideas in what they thought was one, neat package—wheat, cotton, feed grains, and so forth.

When that happened, I voted against the proposal.

I will do so again today.

I believe that our American textile mills are at a disadvantage in relationship to foreign textile mills, but I sug-

gest strongly that the remedy is not to vote a double subsidy—a subsidy to make up for a subsidy. This year, the subsidy is being paid directly to the mills; under the terms of the bill now before us, the subsidy would be paid to producers so that the mills could buy the cotton as cheaply as they are this year.

I think the remedy for this inequality to mills lies within the administrative province of the Secretary of Agriculture. It was he who created this bad situation in 1961 by raising the cotton support level so as to make necessary a still larger export subsidy.

Now, let him lower that support level.

As a result of our actions here last year, the entire cotton industry is in a mess—cotton surpluses are nearly at a record high, cotton exports are miserably low, cotton production is up, prices for cotton goods are up.

Why, I ask, have we spent one and a half billion dollars in 1 year? Have we spent this to create this mess?

Let us try to get these programs back into a commonsense area. I will not suggest that we stop playing politics with this farm program, because I know that there is politics in all of life. But, I would like to suggest that we not play politics at this great expense to our consumers and/or taxpayers.

Can we not find a way of producing for the market instead of Government storehouses? We seem to be able to do it in most other farm commodities.

I am not antifarmer. I am proconsumer. And, I maintain that by being proconsumer I really am profarmer because I believe that the good farmers of this country really want to be allowed to produce for consumers, not for Government checks.

One further point. I have favored a great part of the administration's legislative program this year. I have believed it to be in the interests of the people of this country.

But, I disagree strongly with this legislation, and I will not be stampeded into what I see as a false position.

(Mr. ST GERMAIN asked and was given permission to revise and extend his remarks.)

Mr. FRIEDEL. Mr. Chairman, I move to strike the requisite number of words. I shall be brief. I expect to use not more than 2 minutes.

I disagree with the remarks of the gentleman from Texas, that we are not concerned in this bill with problems with respect to shipping in American bottoms. I believe it is very much our business to make the record quite clear that we want at least 50 percent, if not more, of the farm products we ship overseas to be shipped in American bottoms, to help keep our merchant marine strong.

I also received the letter read by the gentleman from California [Mr. HAGEN] with reference to the remarks of the gentleman from Washington [Mr. PELLY]. It was addressed to me, signed by Orville Freeman, Secretary of Agriculture. But I have received complaints from the American merchant marine that American-flag ships are not being

used to ship even half of our farm products as required by Public Law 480.

In this connection I should like to refer to one paragraph in the letter I received from Secretary Orville Freeman. It says:

I want you to know that I have always been a supporter of a strong American merchant marine.

And later in the same paragraph he says:

The Department complies with and will continue to comply with the Cargo Preference Act.

But the information I have indicates that they are not complying.

We hope to make the record clear that the Department of Agriculture must comply with the law and ship a minimum of 50 percent of its products in American ships.

The Department of Agriculture's own figures show that in 1964 the value of agriculture products shipped abroad under Public Law 480 was approximately \$1.6 billion, but less than 50 percent under titles 1 and 4 were transported in American ships. I have heard one estimate that the cost of this bill will be \$6 billion in subsidies paid for farm products. I think we should make it unmistakably clear that the major portion of any of these products exported shall move in American vessels. They should not be shipped in foreign-flag vessels in competition with our own merchant marine.

(Mr. FRIEDEL asked and was given permission to revise and extend his remarks.)

Mr. BURTON of California. Mr. Chairman, I join with the distinguished gentleman from Maryland [Mr. FRIEDEL]. I, too, am concerned with the plight of our maritime industry.

Morris Welsberger, head of the SUP in our area, has been in contact with our office and has pointed out the declining position of the maritime industry and the responsibility of all agencies of Government, including the Department of Agriculture, to implement policies that strengthen—not weaken—the maritime industry.

In this connection, I should like to pose a question to the chairman of the Agriculture Committee [Mr. COOLEY]. Will the distinguished chairman use his good offices as chairman of the powerful Committee on Agriculture to encourage the Department of Agriculture to adopt policies that will assure a fair share of the overseas shipments will be carried in American-bottom ships.

Mr. COOLEY. Yes; I will.

Mr. ROGERS of Florida. Mr. Chairman, the House consideration of the 1965 farm bill involves a price tag of some \$4 billion.

Most of this money goes to maintain farm prices in the United States and to this Nation to sell surplus food overseas. Yet the unfortunate fact is that while the Department of Agriculture appears to be helping the American farmer its more recent policies are further undermining the American shipping industry.

The Department of Agriculture ships massive quantities of foodstuffs abroad, but approximately half of these shipments go aboard foreign-flag ships. While the Merchant Marine Act sets forth the requirement that at least 50 percent of such shipments be moved by American ships, the law also would accommodate the Department of Agriculture shipping greater percentages of its cargoes in American ships.

But this has not been the case. The 50-percent minimum requirement has been scarcely maintained. Furthermore, instead of adopting policies which would strengthen the shipping industry operating under the American flag, the Department of Agriculture seems to become dedicated toward policies of further decline in American maritime strength.

At the present, American ships carry less than 10 percent of the total cargo moving through U.S. ports. So pathetic is this Nation's shipping strength that we must resort to antiquated vessels long relegated to mothballs in order to conduct the sealift to Vietnam. Thus far, it has been necessary for the Government to reactivate 22 vessels at a cost of nearly \$9 million. Yet the recent utterances of high officials in the Agriculture Department seem to signal a new attack on the 50-percent cargo reserves for U.S. ships. We hear, for example, such shocking statements as the requirement that American ships carry at least 50 percent Government cargo hampers Agriculture Department's efforts to sell U.S. wheat to Russia.

Mr. Chairman, in the absence of more constructive policies toward the shipping industry in this Nation, the least this Government can do is be the first to uphold a campaign to "ship American." The 50-percent minimum cargo shipments are wholly inadequate help to the U.S. shipping industry, but right now they mean the difference between life and death in an industry which has slipped more than 25 percent in 15 years' time—this despite the more than \$380 million spent each year in subsidies from the Government.

The preference given American ships by this law may one day also mean life and death in terms of our national security. Not only is a strong shipping industry necessary for economic security but vital in time of national emergency. A strong merchant fleet is important to every port from Maine to Florida, the Gulf and Pacific coasts, and the Great Lakes region. The economic welfare of these ports is tied to American shipping, but the national security importance of American shipping is the concern of virtually every American, whether he lives on a farm, in a port city, or manufacturing area.

I urge that the importance of preserving the American shipping fleet be continually before the Department of Agriculture, that the U.S. Government not merely comply with the minimum requirements of the law, but become the leader in "shipping American."

The sake of this Nation may ultimately depend on it.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have heard a lot about a so-called bread tax. This is just another smokescreen put up by those who have unrelentingly fought against any and all farm programs over the past years.

The phrase "bread tax" is in itself one of the phoniest ever brought forth in America. The problem is that it is a catchy phrase and is being used deliberately by farm program wreckers with disastrous results.

I would like to read you a copy of the type of propaganda certain groups are using in city areas. You have seen propaganda such as this sheet passed out in all our metropolitan centers purporting to tell the facts about the "bread tax" bill—facts that in actuality are far from the truth. This undoubtedly is an indication of the powerful interest groups that are determined at all costs to keep the price of wheat down to a depression level.

This paper reads as follows:

THE FACTS ABOUT THE BREAD TAX BILL

A 25-percent increase in the price of wheat: Congress is considering a tax on wheat (H.R. 9811) which would increase the cost of domestic wheat from \$2 to \$2.50.

What will it mean? Every loaf of bread would cost more. Also, higher prices for flour, crackers, cookies, cereals, spaghetti, and other wheat food products.

Who will be the hardest hit? Lower income groups and large families for whom bread is an important part of the diet. Congress has just taken taxes off jewelry and fur coats. A bread tax will hit those who can least afford it.

What can you do? Write your Congressman. Tell him your views of H.R. 9811. Write to the Honorable DAN ROSTENKOWSKI, District 8, House Office Building, Washington, D.C.

(This message is from labor and industry united as a Wheat Users Committee to fight this regressive tax.)

This sheet was picked up by a former North Dakotan living now in Chicago. Because of his knowledge of and love for the farm, and his understanding of the economic problems facing American farmers, he sent it on to me and said, "Look, is there any truth in this?" And frankly, there is very little truth in it.

The fact of the matter is that while consumers as a whole have nearly twice as much income today as they had in 1947 they pay only 76 percent more for bread than they did in 1947. This in itself might indicate that the price of bread has not increased in proportion to the price of other consumer products.

But there is more to the story. The fact of the matter is that, while consumer income has doubled since 1947 and bread prices have gone up 76 percent, what the farmer gets for the wheat in a loaf of bread has gone down 10 percent, making an intolerable situation for the farmer and for agricultural areas. All the increase in price to the consumer plus the loss to the farmers has been consumed by the farm-retail price spread. This is what is afflicting agriculture today.

In effect, thorough accepting subparity income, the farmers have been subsidizing the consumers of America while consumer income has been increasing. This perhaps has resulted in a slightly lower cost for the market basket

of food for the average city dweller but at a tremendous economic sacrifice for the farm families of America. Beyond that, short-changing the farmers of America ultimately short-changes the consumers of America.

Forcing farmers off the land only adds to unemployment problems in the cities. Those who earlier this year advocated moving 2½ million more farmers off the land would not only completely disrupt the rural communities and agricultural States but short-sightedly fail to realize that they would complicate many times over the problems of the cities of America. These farmers would move into cities and take over jobs now held by less skilled, less adaptable city workers, adding inevitably to the cost of Government and to the economic and social problems of the city.

The administration's announced sell-out to those who have screamed "bread tax" is the greatest injustice done the American farmer in a long time. Farmers should realize that this switch to paying for farm products out of the Federal Treasury rather than seeking an equitable price for them in the marketplace could well mean the beginning of the end of the farm program. Many of the people crying "bread tax" are those who have the destruction of farm programs as their ultimate objectives.

It is interesting, too, to see that those who were loud in their declarations of what they would do to support a sensible farm bill—provided farm Congressmen would vote their way on key issues affecting labor—were at the forefront of those attacking fair farm prices as "bread tax."

One of the principal reasons wheat farmers have difficulty getting a fair price is that half of our wheat must be sold for export, and these same people have succeeded in requiring that any wheat we might sell behind the Iron Curtain where there is a potentially huge market be carried 50 percent in American bottoms, thus increasing the cost of American wheat by about 25 cents a bushel and effectively killing our chances of sales.

It looks again as those who went along with the pretty promises ended up trading horses for rabbits.

A grave danger to the future of farm programs is that by having our farmers' income depend more directly on Government payments rather than on pricing in the marketplace, our problems with the Budget Bureau will increase tremendously. You can bet your last nickel that at budget-considering time the experts will take a look to see "where do we cut." They will see the increase of some hundreds of millions of dollars, and the ax might fall—if not on the certificate payments, certainly again on such things as the Soil Conservation Service, REA funds, Extension Service, and experiment station funds, all of which sustained heavy attacks this spring.

It is time we stop treating our farmers as economic stepchildren and start being proud of the great contribution they are making to our Nation's future. Let us make sure in this House today that, while the administration has seemingly yielded on the "bread tax" issue, we see to it that the resale price for wheat is

raised so that the Secretary of Agriculture will not retain the ruthless and complete control of pricing of wheat that he now has, and that the farmers thus will be able to find a better price for their wheat in the marketplace.

And perhaps even more important than that, since we are enacting a 4-year program, this time let us dedicate ourselves during the 4 years ahead to work out ways of using our abundance of food as a positive weapon for peace in our world.

Our farm policy can move in only two directions: First, toward that of increased restrictions and cutbacks; or, second, toward more production by using this food as the strong right arm of our foreign policy.

Two facts are also inescapable: First, that in a world where daily thousands of people are dying of starvation, more food is needed; and, second, that the United States and our system of government and our outstanding farmers are unique in the world in their ability to produce this food.

I have testified many times before the Committee on Agriculture on the importance of using our food abroad. I have been told by those with little imagination that we have "shoved our surpluses down every rathole we could find." The Secretary of State, in testifying before our Subcommittee on Foreign Operations, told of the problems involved in unloading shipments of our wheat in India because of a lack of port facilities. Certainly any nation that can plan to land an individual on the moon can discover a way of getting food to a hungry individual on this planet.

Nutrition experts tell us that to bring the nutritional level of all people on this side of the Iron Curtain to that minimum necessary for existence would take a doubling of our wheat production. We are spending better than \$50 billion a year for armaments. We need friends in the world today, as our position in Vietnam certainly indicates.

If it took a billion bushels of wheat to in a large measure alleviate the hunger of the world, our Government could purchase and deliver this for less than 4 percent of what we are spending on armaments each year. When looking for friends in the world today, a full belly speaks louder than anything else in convincing individuals that the American system does work, and that Americans do care.

I have no pat and ready answer as to how we can immediately remedy this situation. Unfortunately, no one else has, either. But let us quit listening to the "can't" artists who, with little imagination and less drive, have stunted our agricultural policy for years. It is time we recognize the need of the world and put a maximum effort into using this God-given gift of abundance. It may well be what could turn the tide of world events during the next decade.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III—FEED GRAINS

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

"(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. In addition to price support provided under subsections (a) and (b) of this section, which shall be made available through loans and purchases, for any feed grain included in the acreage diversion program, a payment-in-kind may be made available to producers in such amount or amounts as the Secretary determines desirable to assure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains, and to take into account the extent of participation by the producer. Such payments-in-kind shall be made on such part of the acreage of such feed grain planted on the farm for harvest as the Secretary determines desirable to effectuate the purposes of the program: *Provided*, That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price support program. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of feed grains planted for harvest for purposes of such payments. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on a fair and equitable basis. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the

production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. Notwithstanding any other provision of law, payments-in-kind under this subsection (e) and subsection (d) of this section may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the programs formulated under such subsections and section 16 of the Soil Conservation and Domestic Allotment Act, as amended."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(i) Notwithstanding any other provision of law—

"(1) For the 1966 through 1969 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, not in excess of 50 per centum of the estimated basic county support rate, including the lowest rate of payment-in-kind in effect. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term 'feed grains' means corn, grain sorghums, and, if designated by the Secretary, barley, and if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 318 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: *Provided*, That acreages of corn, grain sorghums, and, if designated by the Secretary, barley, shall not be planted in lieu of acreages of oats and rye: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage

(not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop year 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (1) (1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 percentum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection, barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(e) of the Agricultural Act of 1949, who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

"(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(1).

"(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the

Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price made available through loans and purchases, plus reasonable carrying charges.

"(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

SEC. 303. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the language beginning with "the requirements" and ending with "Agricultural Act of 1961, and" and substituting therefor "the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or".

Mr. COOLEY (interrupting the reading of the title). Mr. Chairman, I ask unanimous consent that this title be considered as having been read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 8, line 23, strike out "acrage" and insert "acreage".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment. This amendment was written so as to come in two places in title III, and since this title has been considered as having been read, I ask unanimous consent that both amendments, the one on page 7 and the one on page 13, be read at this time.

The CHAIRMAN. Does the gentleman ask that the amendments be considered en bloc?

Mr. QUIE. That is right.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. QUIE: Page 7, line 9, after the word "Secretary" insert the words "during the current marketing year".

Page 7, line 15, change the period to a colon and insert the following: "Provided, That notwithstanding any other provision of law, any such certificates not redeemed during such current marketing year and any certificates issued but not redeemed during any previous marketing years shall not be redeemed for feed grains by the Secretary at less than the price provided in section 407 of the Agricultural Act of 1949, as amended."

Page 13, line 13, after the word "feed grains" insert the words "during the current marketing year".

Page 13, line 23, change the period to a colon and insert the following: "Provided, That notwithstanding any other provision of law, any such certificates not redeemed during such current marketing year and any

certificates issued but not redeemed during any previous marketing years shall not be redeemed for feed grains by the Secretary at less than the price provided in Section 407 of the Agricultural Act of 1949, as amended."

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, the reason why the same language was repeated twice is so that it applies to the payments in kind which reflect both the production payments and the diversion payments.

Let me explain what my amendment will do first by developing what the law provides and what has happened with the payments in kind for feed grains.

Under section 407 of the law it provides that surplus feed grains shall not be sold back onto the market for less than 105 percent of support plus carrying charges. When we passed this feed grain law, the one which is presently the law, we provided that feed grains reflected the payment in kind, and the payment in kind is made to the farmer who then may permit the Secretary to be his merchandising agent. Most of them do that, and in that way the farmer gets the cash and the grain is left in the hands of the Secretary to merchandise. The resale formula for these payment in kind surpluses has been 100 percent of support plus the carrying charges.

The Secretary has not merchandised all of the payment in kind feed grains in each marketing year. Therefore, they have been accumulating. There is more than 1½ billion bushels of feed grains which have accumulated which have not been merchandised and which continue to be made available and be put on the market at 100 percent of support rather than at 105 percent.

My amendment would provide that the 100 percent of support for payment in kind for feed grains would remain for that marketing year. However, if the Secretary has chosen not to merchandise PIK feed grains in each marketing year, then they shall shift over to the resale formula of section 407 with the remainder of the surpluses from whence they came. So he cannot accumulate a tremendous amount and have it hanging as a cloud over the market if my amendment is adopted.

I have tried before to increase the resale formula for feed grains to 115 percent, in the committee. The gentleman from Illinois tried to increase the formula for payment in kind feed grains to 105 percent. We failed to do either. This is my last resort to give some help to the feed grains areas in order that at least they may protect themselves from the accumulation of payment in kind feed grains. For that reason, I think it ought to be acceptable to both sides. It is not going to limit the use of payment in kind feed grains within that marketing year so far as the Secretary is concerned, to utilize as he sees fit.

Mr. FINDLAY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. FINDLEY. I thank the gentleman. I believe this amendment is vitally important to the feed grains farmer. Perhaps this fact will help to underscore the importance of it. The supply of un-

processed certificates now on Secretary Freeman's desk exceeds the total holdings of feed grains by the Government. This means that he has complete freedom to dump these feed grains at the 100 percent support level. It is not bound to the 105 percent release level for any of the stock that is now in Government storage.

Mr. QUIE. I thank the gentleman for that observation. I might point out that the 105 percent has not been in controversy here. In the cotton bill we have provided that the resale formula shall be 110 percent of support in the event that more is sold from CCC than is reflected in that year by reduced production. Therefore, I believe that this is a wise and satisfactory amendment and at least gives some recognition to the market needs in feed grains, and will say to the farmer that only the PIK grains of that year can be used against them.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. RESNICK. Will the gentleman tell us what this will do to feed grain prices in the feed grains deficit areas such as the Northeast and the Far West?

Mr. QUIE. It should not have anything to do with that, because to date the Secretary has had a sufficient amount of PIK feed grains to use each year to set the price where he wants. In fact he has had more than he could use. All my amendment would do is prevent him from having this accumulation that he can conceivably use in the market at some later date. It will have no effect on the price of feed grains in the feed grains deficit areas.

Mr. RESNICK. Mr. Chairman, if the gentleman will yield further, as I understand it, this would increase the feed grains cost in the northeast.

Mr. QUIE. The gentleman does not understand it correctly. The gentleman knows that if we increase the PIK certificates to 105 percent of support, then grains would cost a slight bit more in the Northeast. However, it only prohibits the Secretary from accumulating vast amounts of PIK feed grains, and the gentleman well knows he is just raising a red herring, because no one who takes the time to understand my amendment is going to be frightened by the gentleman. I say categorically it will not raise the feed grains price in any deficit area and if the gentleman says so, it is untrue and he knows it.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and on this title and all amendments thereto close in 10 minutes.

The CHAIRMAN. Will the gentleman from North Carolina restate his request?

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate close on title III in 10 minutes, on the pending amendment and on title III.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. FINDLEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all debate on all amendments to title III close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. FINDLEY. Mr. Chairman, reserving the right to object, I would like to point out that we consumed over 2 hours before we got into the really controversial features of this bill. There is still the cotton title, there is still the wheat title, and now we are on the feed grains title, which has been a very controversial item in most parts of the country. I feel it would be a shame if we limited the consideration of amendments to such a brief span of time.

I would ask the gentleman from North Carolina if he would not agree to a limit of at least 30 minutes?

Mr. COOLEY. If the gentleman will yield, we only have one amendment and that is the amendment which has been offered by the gentleman from Minnesota [Mr. QUIE].

Mr. FINDLEY. I have two amendments which I propose to offer, and the gentleman should have a copy of them.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that all debate on this amendment and all amendments on this title close in 20 minutes.

Is there objection to the request of the gentleman from North Carolina?

Mr. FINDLEY. I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment and all amendments on this title close in 20 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from North Carolina.

Mr. FINDLEY. Mr. Chairman, on that I demand a division.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments to the pending title close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Are there any Members who wish to speak on the pending amendment?

Mr. RESNICK. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RESNICK].

Mr. RESNICK. Mr. Chairman, I rise in opposition to this amendment.

Mr. Chairman, the gentleman from Minnesota said that I was confused, but I do not believe that I am confused on this particular amendment. Stated very simply, it will raise feed prices in the Nation and it will raise feed prices wher-

ever there is a feed deficit. It is as simple as that.

Mr. Chairman, we have heard a lot of moaning and groaning around here about the bread tax. If this amendment is passed, this will not only be a bread tax but it will be a milk tax, it will be an egg tax, it will be a tax on anything that consumes feed grains.

Again, Mr. Chairman, speaking for the farmers that I represent in the northeastern part of this United States, I certainly hope that this amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. NELSEN].

Mr. THOMSON of Wisconsin. Mr. Chairman, I ask unanimous consent that my time be given to Mr. NELSEN.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. NELSEN. Mr. Chairman, I believe it is important that the Quie amendment be adopted. It is a very reasonable amendment; it is a very moderate amendment. It is not asking for unreasonable attention as far as the mid-west grain section of our country is concerned.

There has been some dispute about the wisdom of an amendment of this kind, but let me take as an authority for my conclusion none other than Mr. Thatcher, of the Grain Terminal Association of the Farmers Union of Minnesota.

I have here his statement, in which he points out the fact that when the original charter of the Commodity Credit Corporation was drawn the 105-percent figure was considered satisfactory; the support price at that time was 90 percent of parity. Today the support level is lower, therefore the 105 is not adequate. He states in this article that 115 percent of parity would therefore be a necessary level. This amendment does not go that far. It only goes in a reasonable degree toward a desirable higher level. So I would suggest that the Quie amendment is a necessary one, and a step in the right direction.

I include as part of my remarks the following statement:

WE ARE STRONG ADVOCATES OF GOOD FARM PROGRAMS

We have asked Congress to establish the minimum price for Commodity Credit Corporation grain sales at 115 percent of loan value instead of the present 105 percent.

That is a very reasonable request. Many of our Senators and Representatives support it. There is a good chance that Congress will approve our request.

To avoid any possible misunderstandings, and to negate some deceptive statements that are being made regarding our request, I would like to explain why we made it in the first place.

Back in 1949 Congress gave USDA's Commodity Credit Corporation a permanent charter. We had something to do with that, too, and we consider it a significant accomplishment. This permanent charter took the place of the temporary, year-to-year existence CCC had been living since 1933.

One of the limits put into this charter was that, except for such things as spoilage, grain held by CCC could not be sold in the domestic market for less than 105 percent of

the loan, plus reasonable carrying charges. CCC could sell for more than 105 percent at any time if it wanted to, but it couldn't sell for less.

At that time—1949—this 105-percent minimum was adequate. You will remember that Congress had set the support price for basic commodities—wheat and corn—at not less than 90 percent of parity as then computed.

CCC could not sell at less than 105 percent of those support prices. That 5-percent margin was put in there to give leeway for markets to function. It allowed prices to rise enough over the loan to meet the costs of marketing. Farmers could redeem their loans each year, if market prices permitted.

In other words, that 5-percent leeway was designed to allow marketing through normal channels instead of turning the crops over to the Government. It gave farmers some opportunity to get a little more than the loan and use normal competitive channels to market their own grain.

But now, what has happened? The figures tell the story dramatically. If wheat were supported at 90 percent of old parity, today, the loan would be about \$2.70 a bushel. Five percent of that is about 14 cents. That would be the margin between loan value and the price at which CCC could sell its stocks. It would be a respectable, workable margin.

Instead, today the support price has been cut in half. It is only \$1.25 a bushel for wheat. Five percent of that is only a little more than 6 cents a bushel. That is a narrow, unrealistic margin. When CCC now sells at 105 percent of \$1.25 a bushel, it establishes an effective ceiling price on wheat.

With that example, you can see why GTA and many others, including almost all of the farm organizations and commodity groups, have requested Congress to raise the CCC resale price to at least 115 percent of loan value.

I am sure you will agree that CCC sales have kept a lid, a ceiling price, on the market. This has forced a great deal of wheat into Government hands unnecessarily. The incomes of farmers have suffered, normal markets have been bypassed, CCC costs have been run up, and the intent of Congress in the CCC charter, granted back in 1949, has been defeated.

Today CCC may handle 5 bushels of grain, where it need handle only 1 to accomplish the purposes of farm legislation.

These are simple facts before Congress. Any effort to distort these facts or impugn GTA's record is pure and outright deception. I do not understand why anyone would want to do that.

The record of your general manager in championing the grain farmer, and every other farmer, is clear from the McNary-Haugen days of the 1920's. We pioneered protein premiums in 1927-28. We helped establish the first crop loans under the Federal Farm Board in 1930. We helped write the first and second AAA programs under which today's crop loans are made. We were among the first to ask Congress for wheat income certificates in the years before World War II. These certificates now are the law of the land.

Good farm programs, and good administration of them, have no stronger advocate than your general manager. We'll match our record with anybody's, and we'll continue to work for a more just and effective margin between loan value and the price at which CCC can sell its stocks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The question was taken; and on a division (demanded by Mr. QUIE) there were—ayes 35, noes 76.

So the amendment was rejected.

The CHAIRMAN. The chair recognizes the gentleman from Illinois [Mr. FINDLEY].

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 7, line 9, after the words "not less than" insert the words "105 per centum of".

Page 13, line 21, after the words "not less than" insert the words "105 per centum of".

Mr. FINDLEY. Mr. Chairman, the effect of the amendment would be to strengthen the market price for feed grain farmers—simply that.

On the basis of testimony given by the Department of Agriculture officials, this amendment would probably strengthen feed grain prices about 7 cents a bushel. So I very frankly tell you the purpose of this amendment is to strengthen the marketplace for feed grains, and I think it is about time we did that.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to this amendment for two or three reasons. To start with, it would wreck the feed grains program that we have before us for extension because it would cause an accumulation of stocks, rather than reducing surpluses that were accumulated in 1959 and 1960. This is favored by some of those who are in the storage industry—but it would not be in the interest of others. It would help to accumulate stocks as we did from the 1959 and 1960 crops. If we have a demand for 4 billion bushels of corn and produce 3.7 billion bushels as we did last year, we should take 300 million bushels out of the storage bins and put it on the market in order to keep the consumption up. If we raise the price 15 cents or 20 cents under this amendment, it will put our corn above the world market price. This would either increase the export subsidies—and we have not had any recently on corn—or it would reduce our export sales. The higher prices would also reduce the consumption in this country. The overall effect might be to end up with a consumption of 3.7 billion bushels and not be ahead where we were the year before. In fact, worse than that, it might be that we would end up consuming and exporting 3.5 billion bushels instead of 4 billion bushels that we wanted to. This would then bring the program under attack and thereby satisfy both those who oppose the feed grains program and those primarily interested in storing grain at Government expense.

So, Mr. Chairman, this amendment would cause grain to pile up in storage like it did back in 1959 and 1960 and it will wreck the program. We have reduced those stocks by 30 million tons, but are still trying to work off some more. It is not good in the long run for the farmers and it is not good for the taxpayers at any time. I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a di-

vision (demanded by Mr. FINDLEY), there were—ayes 28, noes 78.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 5, line 5, strike out "1969" and insert "1967", and page 8, line 11, strike "1969" and insert "1967".

Mr. FINDLEY. Mr. Chairman, this amendment would reduce the period of authority for the feed grains program from 4 years to 2 years. This year taxpayers are spending over \$1.5 billion to rent over 36 million acres of cropland and despite this staggering outlay of tax dollars, we are getting the biggest feed grain crop in all history. So it seems to me, it would be an act of wisdom to limit the extension of this ineffective and costly program to 2 years, instead of 4 years.

Mr. ARENDS. Mr. Chairman, I heartily support the amendment of the gentleman from Illinois [Mr. FINDLEY], "after the words 'Not less than' insert the words '105 per centum of.'" For too long the Secretary of Agriculture has used his power to manipulate the price of feed grains as he pleased. He has in fact controlled the market price.

The sale of Government cornstocks to keep a lid on market prices—which is part and parcel of the feed grain program—is destructive of the whole market system.

The amendment to raise the minimum rate on resale of CCC stocks of feed grain is absolutely essential to protect the market price of feed grain farmers from the dumping by the Federal Government of their CCC stocks.

CCC sales were a dominant factor in the market in the 1961 and 1962 marketing years. These large CCC corn sales helped cause an increase in livestock production and feeding and this in turn caused the breakdown in livestock prices in 1963-64, which was disastrous to our livestock people. Such corn sales were drastically curtailed last year, probably as a result of low livestock prices although it is not unusual for the CCC to restrict its sales in an election year. The dramatic increase in livestock prices this year is at least in part a reflection of reduced CCC feed grain sales during the 1964 election year. But, Government sales are again on the increase. Sales from the beginning of October 1964 through July 31 of this year were over three times as high as in the same period a year ago. We are headed for trouble again unless we restrict these sales—especially with the alltime high corn crop predicted in the August USDA crop report.

To illustrate what I mean, I give you the following record of CCC sales from the USDA Grain Market News:

CCC sales of corn for domestic use	Bushels
Oct. 1, 1961, to Sept. 30, 1962—	806, 239, 000
Oct. 1, 1962, to Sept. 30, 1963—	847, 552, 000
Oct. 1, 1963, to Sept. 30, 1964 ¹ —	117, 125, 000
Oct. 1, 1964, to July 30, 1965 (10 months)-----	342, 218, 000

¹ Election year.

Mr. Chairman, I trust the House will adopt the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 52, noes 66.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 9, line 8, after the words "kind in effect," strike the period and insert the following: "Provided, That in no event shall the Secretary make total diversion and price support payments to any producer under this section 16(i) and under section 105(e) of the Agricultural Act of 1949, as amended, which exceed 20 per centum of the fair market value of the acreage diverted by such producer pursuant to the provisions of this section 16(i)."

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman and members of the Committee, 2 years ago I offered a similar amendment, which was adopted. Obviously, since you folks on the other side of the aisle were in control then, it had to have bipartisan support.

I read from page 17 of the committee report:

The limitation that land diversion and price-support payments could not exceed 20 percent of the fair market value of the land would be removed.

That language is in the current act. I am proposing to keep it as we currently have it, because the arguments are just as good today as they were 2 years ago. If we are going to make direct payments, and one thing and another, why in heaven's name should they exceed one-fifth of the fair market value of the land? There is no good reason to exceed that amount. Why give a person the opportunity to buy a farm, practically, with 5 years of payments under this program?

There must be a reason for wanting to take that out. Some place, somebody is going to be making a bundle, because under this program they are going to break that 20-percent barrier.

While I serve on the Appropriations Committee and we can write limitations on appropriation bills, I would much prefer to make the approach here, in the legislative enactment of the bill, and to have it written into the law, so that we do not have to take the circuitous route of a limitation on an appropriation bill.

I hope Members will give this the same bipartisan support we had 2 years ago and reinstate that provision.

Further, Mr. Chairman and Members of the Committee, payments to farmers under the current farm program and extended in this bill, are supposedly earned on the basis of size of farm and participation. This is especially true for the commodity program payments.

Presently, farms with feed grain bases of 25 acres or less, representing 56 per-

cent of all feed grain farms, receive only about 14 percent of the total feed grain payments.

On the other hand farms with feed grain bases of 50 acres or more, representing only 25 percent of the total feed grain farms, earn 72 percent of the total feed grain payments.

Mr. Chairman, as I pointed out in my earlier remarks, the per-farm rate of payment for participating farms with bases under 25 acres averages out to \$310, while for those having bases of 50 to 100 acres averages out to \$1,118; for 100- to 200-acre bases, the average is \$2,000; for 201- to 300-acre bases, it is \$3,306; for 300- to 500-acre bases it is \$4,880; and for 501 acres and over, it is \$10,190.

Now, these are average payments under the current program, and all projections show that these figures will be greater under provisions of this bill.

The large increase in the projected total payments in 1966 and beyond will result in large part from the change in the cotton program, in which payments will be shifted from textile mills to cottongrowers, and the rate of payment per bale will increase sharply. Also, there will be an increase in direct payments under the proposed new wheat program.

The purpose of my amendment, is to impose a reasonable limitation upon the aggregate of these payments. As I said, the size of the farm controls the size of the payment. The larger the farm, the greater the total payment. The more successful and the relatively highest income producers, receive the highest payment. It is not only true for the feed grains producer, as I pointed out, but for the wheat and cotton producer as well.

The largest farms, those with value of cash sales of over \$20,000 per farm and representing about 15 percent of all farms, would receive slightly over 62 percent of the total direct payments; those with sales of \$10,000 to \$20,000 and representing about 18 percent of all farms would receive about 22 percent of the direct payments; those with sales of \$5,000 to \$10,000, representing 15 percent of all farms would receive only about 10 percent of the payments; and those with cash sales of less than \$5,000 and representing 52 percent of all farms would receive only a little over 6 percent of the payments.

The celebrated million successful farmers selling \$10,000 and over of farm products, representing only about 33 percent of all farms, would receive about 84 percent of the total Government direct payments under H.R. 9811 in 1966. This illustrates again how the well-to-do get the dollars and the poor folks get the pennies. There is very little in this proposed new farm plan for the so-called lower half of the income scale which have been designated as in—or bordering on—the poverty class. I urge the adoption of my amendment to keep these payments within reasonable bounds.

Mr. POAGE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is a very attractive looking amendment and basically it might be all right, but the gentleman certainly has written it in a most un-

fortunate manner. He provides that the total diversion and price support payments to any producer, the total he gets both for retired land and all of his price supports, no matter what part of his farm is retired, the total cannot exceed 20 percent of the value not of the farm, but of the diverted acres only.

I think the gentleman overlooks the fact that in past programs his limitations have applied only to diversion payments. He had a limitation on the amount that could be paid for diverting land. What he is now doing, however, is to put a limitation not only on the diversion payment but a limitation on all of the price support payments as well and he puts a total limitation for the whole farm of not to exceed 20 percent of the value of the diverted acres. Your price support might be on 100 or 200 acres and there might not be 10 diverted acres, but if your total price support plus diversion payments come to 20 percent of the value of the diverted acres, you would be cut off from any further payment.

This limitation is simply not applicable to the new form and type of bill we have. We have a new departure here under which we are making payments both for diversion and price support in one combination. Although I think I supported the gentleman's proposal in years past, when it referred solely to diverted acres, which is not applicable here, he is simply digging up an old horse and trying to have us ride to a new destination. I hope you will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes 43, noes 79.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, I am opposed to H.R. 9811 and my statements are based on my own experience as a practical farmer. I own a farm, the family farm, near New Castle, Ind., and am intensely interested in the future welfare of my chosen occupation.

It is obvious to even the casual observer that the strategy of the majority party is to dispose of the farm program for the duration of this term of the Johnson administration. By extending the program for a majority of farm commodities of our Nation for 4 years—especially in its present form—we are committing ourselves to an expensive and ineffective policy. This policy could become so deeply imbedded in our economic system as to defy eventual eradication.

For years the Democratic Party campaigned for high price supports accompanied by rigid controls. During the past 20 years we have seen this scheme repudiated by the sheer laws of economics as well as the farmers themselves. In this present device they have, however, accomplished their real goal of rewarding their friends and persecuting their enemies. How have they done

this? By simply setting a low support price and subsidizing those who go along with the plan Secretary Freeman was able, by manipulating the sale of CCC products, to keep the free market price below even the support price. Thus the noncomplier was forced into a very low income bracket—or in other words he was being punished for his belief in the free enterprise system.

This omnibus bill, H.R. 9811, besides being a very expensive burden upon our already overloaded budget has even more unfortunate implications. For those farmers who are forced to eventually participate in the program, in order to survive, are finding a substantial and necessary share of their income coming from the Federal Government. As this dependence will become greater. Soon the ability of the farmer "to be his own man" will give way to the onerous distinction of being a ward of the Government.

It is for this primary reason, Mr. Speaker, that I oppose H.R. 9811. I regret to see the farmer being forced down the road—not of his choosing—to the status of a serf. It would seem the cycle of history from the embattled farmer at Lexington until now is virtually complete.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. OLSON].

Mr. OLSON of Minnesota. Mr. Chairman, this is a very complicated piece of legislation. There is much argument being presented here today which is not very valid or pertinent to the discussion of the legislation before us. We have witnessed in this session for 7½ months now erroneous interpretations presented when major legislation was debated.

We have not taken these erroneous interpretations that are presented on the floor to cut up any complicated piece of legislation and I hope that we are not doing that or that we will not do that today.

I would like to point out that when this program is assessed, we should do so fairly. We talk about the shipment of grain and we talk about situations not germane to this particular bill. But in a way they are somewhat in the same area. We would not have any Public Law 480 grain to ship if it were not for the farm production that we have. That Public Law 480 grain has helped immeasurably, and many Members of the House know it, and I would like to remind them of it, when they assess the cost of this program to Agriculture, because I say that this surely should not be assessed as a cost against Agriculture, as should not the food stamp program, the school lunch program, or the meat inspection program.

There are many things in this budget that should be given consideration by our colleagues but they should not, in haste, fail to interpret amendments that are offered fully. I do not like to see the whole farm bill assessed on the basis of a per bushel cost. We are here today debating a farm bill to aid the farmers, not to determine the cost in units over the years.

That grain did not spoil. I would like to remind my colleagues that it did go to feed hungry people in India and probably saved that nation from communism. I do not think we should forget these valid arguments in what we are doing here today.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. STALBAUM].

Mr. STALBAUM. Mr. Chairman, I rise in support of the feed grain section of the bill. I should like to point out that the gentleman from Illinois [Mr. FINDLEY] has consistently made the point that we have taken 36 million acres out of production. I would only ask, What would have been the situation had those 36 million acres not been taken out of production and had been producing feed grain crops? Instead of a reduction in Government stocks from 85 million tons to 55 million tons, we would have seen a growth of 30 million tons. I think the feed grains program has helped the income of the farmers in this particular commodity or group of commodities. I believe it is well that we are considering fundamentally extending the act as it has been, for another 4 years.

The CHAIRMAN. The Clerk will read. The CLERK. Page 14, line 13:

TITLE IV—COTTON

Sec. 401. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 348 of the Act is amended by adding the following new sentence at the end thereof: "The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to the 1966 crop cotton."

(2) Subsection (m) (2) of section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the period at the end of the second sentence thereof to a colon and adding the following: "Provided, That for the 1966, 1967, 1968, and 1969 crops of upland cotton, no such released acreage shall be surrendered to the State committee."

(3) Section 346 of the Act is amended by adding at the end thereof a new subsection as follows:

"(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968, and 1969 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by planting in excess of the farm acreage allotment established under section 344 or planting cotton on a farm for which no allotment was established for such crop, all cotton of such crop produced on the farm may be marketed free of any penalty under this section. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county, and farm acreage allotments."

(4) Section 350 of the Act is amended, effective with the 1966 crop, to read as follows:

"Sec. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966, 1967, 1968, and 1969 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be

produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield: *Provided*, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced."

Sec. 402. Section 103 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection at the end thereof:

"(d) (1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

"(2) Price support for each such crop of upland cotton shall be made available to co-operators through loans at such level, not exceeding 90 per centum of the estimated average world market price for Middling one-inch upland cotton at average location in the United States for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: *Provided*, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

"(3) The Secretary also shall provide price support through payments in cash or in kind to co-operators who participate in a cotton acreage reduction program to the extent prescribed by the Secretary as provided in this subsection: *Provided*, That the total of the national average loan rate for any crop under paragraph (2) and the rate at which payments are made under this paragraph shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton. Such payments shall be made on the quantity of cotton determined by multiplying the acreage planted to cotton within the farm domestic acreage allotment by the projected farm yield: *Provided*, That any such farm planting not less than 90 per centum of such allotment shall be deemed to have planted the entire amount of such allotment.

"(4) The Secretary shall provide price support payments in addition to the payments authorized in paragraph (3) to co-operators, other than co-operators on farms receiving reapportioned acreage under section 344(m) (2) of the Agricultural Adjustment Act of 1938, as amended, who divert from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That such diversion shall not exceed 35 per centum of the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended. Such payments shall be made on the quantity of cotton determined by multiplying the acreage planted to cotton within the farm domestic acreage allotment by the projected farm yield.

"(5) The combined rates of the payments under paragraphs (3) and (4) for the 1966 crop shall be as follows:

"(A) For farms on which the acreage planted to cotton does not exceed the farm domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

"(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

"(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

"The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance.

"(6) Where the farm operator elects to participate in the acreage reduction program authorized in this subsection and no acreage is planted to cotton on the farm, price support payments shall be made at a rate equal to 50 per centum of the national average loan rate established under paragraph (2) on the quantity of cotton determined by multiplying 15 per centum of the farm acreage allotment by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m) (2) of the Agricultural Adjustment Act of 1938, as amended. The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments and farm bases.

"(7) Additional price support provided under this subsection by payments-in-kind shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem under regulations issued by the Secretary for cotton valued at not less than the loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

"(8) Payments under this subsection with respect to any farm shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments under this subsection and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided*, That the Secretary may permit all or any part of such reduced acreage to be devoted to the production of guar, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(9) the acreage regarded as planted to cotton on any farm which qualifies for payment under this subsection except under paragraph (6) shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m) (2) thereof.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis in price support under this subsection.

"(11) Notwithstanding any other provision of this section, the amount of price support payments made with respect to any farm may be adjusted for failure to comply fully with the terms and conditions of the program formulated pursuant to this subsection.

"(12) Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all co-operators the full amount of combined price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to co-operators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

"(13) Section 408(b) of the Agricultural Act of 1949, as amended, is amended by changing the period at the end of the first sentence thereof to a colon and adding the following: *'Provided*, That for the 1966, 1967, 1968, and 1969 crops of upland cotton a co-operator shall be a producer on whose farm the acreage planted to cotton does not exceed 85 per centum of such farm acreage allotment'.

"(14) This provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended, (relating to assignment of payments) shall also apply to payments under this subsection."

SEC. 403. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subparagraphs to paragraph (13) of subsection (b):

"(L) 'Projected National, State, and county yields' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively, during each of the five calendar years immediately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

"(M) 'Projected farm yield' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph."

SEC. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted

use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly."

SEC. 405. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which a cotton acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment (excluding that part of the allotment which the Secretary determines was apportioned to the farm from the national acreage reserve) to any other owner or operator of a farm for transfer to such farm; (2) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned by him.

"(b) Transfers under this section shall be subject to the following conditions: (i) no allotment shall be transferred to a farm in another State or to a person for use in another State; (ii) no farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the county from which transfer is being made have voted in a referendum within three years of the date of such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity; (iii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder; (iv) no sale of a farm allotment shall be permitted if any sale of cotton allotment to the same farm has been made within the three immediately preceding crop years; (v) the total cotton allotment for any farm to which allotment is transferred shall not exceed 150 per centum of the average size of the farm acreage allotments for cotton in the State or one hundred acres, whichever is greater, and no transfer of a farm allotment hereunder shall result in a total of allotments for all commodities for the farm which exceeds 75 per centum of the farm cropland; (vi) no cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm from which the allotment (or part of an allotment) is sold for a period of five years following such sale, nor shall any cotton in excess of the remaining acreage allotment on the farm be planted on any farm from which the allotment (or part of an allotment) is leased during the period of such lease, and the producer on such farm shall so agree as a condition precedent to the Secretary's approval of any such sale or lease; and (vii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section.

"(c) The transfer of an allotment shall have the effect of transferring also the acreage history, farm base, and marketing quota attributable to such allotment and if the transfer is made prior to the determination of the allotment for any year the transfer shall include the right of the owner or op-

erator to have an allotment determined for the farm for such year: *Provided*, That in the case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred.

"(d) The land in the farm from which the entire cotton allotment and acreage history have been transferred shall not be eligible for a new farm cotton allotment during the five years following the year in which such transfer is made.

"(e) The transfer of a portion of a farm allotment which was established under minimum farm allotment provisions for cotton or which operates to bring the farm within the minimum farm allotment provision for cotton shall cause the minimum farm allotment or base to be reduced to an amount equal to the allotment remaining on the farm after such transfer.

"(f) The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield per acre and such other terms and conditions as he deems necessary.

"(g) If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

"(h) The Secretary shall by regulations authorize the exchange between farms in the same county, or between farms in adjoining counties within a State, of cotton acreage allotment for rice acreage allotment. Any such exchange shall be made on the basis of application filed with the county committee by the owners and operators of the farms, and the transfer of allotment between the farms shall include transfer of the related acreage history for the commodity. The exchange shall be acre for acre or on such other basis as the Secretary determines is fair and reasonable, taking into consideration the comparative productivity of the soil for the farms involved and other relevant factors. No farm from which the entire cotton or rice allotment has been transferred shall be eligible for an allotment of cotton or rice as a new farm within a period of five crop years after the date of such exchange.

"(i) The provisions of this section relating to cotton shall apply only to upland cotton."

SEC. 406. The Secretary may, to the extent he deems it desirable, provide by appropriate regulations for surrender of cotton allotment and acreage history applicable to acreage diverted from the production of cotton under the cropland adjustment program. No cotton in excess of the remaining acreage allotment on the farm shall be planted for the five succeeding crop years on any farm which all or part of the allotment has been surrendered. Any cotton allotment or acreage history surrendered pursuant to the foregoing authority shall be held in reserve in establishing future national, State, county, and farm cotton acreage allotments and bases. The Secretary is authorized to increase by not more than 25 per centum the rate or rates of annual payments to be made to producers under such program who surrender cotton acreage and allotment history pursuant to the authority of this section. In carrying out the provisions of this section, the Secretary may use Com-

modity Credit Corporation stocks and funds for effectuating payment to producers.

Mr. POAGE (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the title be considered as read and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, is it the intention of the gentleman in control of the bill to cut off debate on this bill? I know that there are many people here who are anxious to get to a vote on this. I do not want to slow it up. But I do not want to have a situation such as we had with the antipoverty bill the last time. I point out that we have had less than 7 hours of debate on a very important bill. If the idea is to try to rush this thing through before 6 o'clock, I should like to say that I am going to try to get time to offer some amendments. We have got some amendments that are needed. Can the gentleman assure me that we will have a reasonable time?

Mr. POAGE. Mr. Chairman, I cannot assure the gentleman anything.

Let me suggest to the gentleman that what I asked was unanimous consent that he have an opportunity to offer his amendments now without taking the time to read the section. I know the gentleman is thoroughly familiar with this section.

Mr. JONES of Missouri. That is right, but I am going to offer my amendment after you have offered your amendment.

Mr. POAGE. The gentleman will have the opportunity to offer his amendment. I can assure the gentleman of that.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Chairman, reserving the right to object, the gentleman from Missouri [Mr. JONES] raises a very valid question.

In consideration of dispensing with the reading of this and other titles, does the gentleman intend to impose an unreasonable gag rule upon the debate from here on out until the disposition of this bill?

Mr. POAGE. If the gentleman will yield, of course the answer to that question from my standpoint will always be "No." The answer from the standpoint of someone else who wants to interpret what he means by "unreasonable" may be entirely different.

Mr. GROSS. What is the gentleman's interpretation of a "reasonable time" that should be spent upon an amendment?

Mr. POAGE. It depends upon the amendment entirely.

Mr. GROSS. Well, that is what I thought.

Mr. POAGE. I believe some amendments require more time for consideration than others.

Mr. GROSS. I am perfectly willing to see the titles of the bill considered as read and that time saved, but not then to be followed with the imposition of a gag procedure.

Mr. POAGE. I believe there is much less likelihood of imposing a gag rule if we save time than if we waste some time.

Mr. GROSS. Well, we shall see.

Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. DENT. Mr. Chairman, reserving the right to object, as I understand the unanimous-consent request the gentleman from Texas [Mr. POAGE] asks that this title which I believe is title IV be considered as read.

Mr. POAGE. That is right.

Mr. DENT. And all other titles?

Mr. POAGE. No, only this title.

Mr. DENT. The gentleman from Iowa in his objection raised the probability that all titles were covered. If it is only this title, then I withdraw my reservation.

Mr. GROSS. No, I did not do any such thing.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 17, strike out "sentence" and insert "sentences".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, lines 24 and 25, strike out "Agricultural Adjustment Act of 1938, as amended," and insert "Act".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 15, line 10, strike out "forgo" and insert "forego".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 17, lines 18 and 19, strike out "to the extent prescribed by the Secretary" and insert "as provided in this subsection".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 24, line 19, following "Sec. 405." insert "The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 344 the following new section: "Sec. 344a."

AMENDMENT OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE to the committee amendment: Page 24, line 20, strike lines 20 through 25, and strike all of pages 25 through 29.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, what this amendment will do if adopted is to strike out of the cotton section the provision for sale and lease of allotments.

These sections which I propose to strike permit a cotton farmer not only to sell his cotton allotment to a neighbor but to also permit him to sell his cotton allotment to the Government. My proposal is to strike both of these provisions.

Mr. Chairman, never before have cotton farmers been permitted to sell or lease allotments. There has been a release reapportionment provision, however, but not the sale of allotments.

Once a person buys the right to produce, he has a vested interest. He has put down the hard cash for the right to produce. If we get this cotton problem solved some day, if we do not need these allotments, then what he puts down in cash evaporates, and also the unsolved cotton problem continues to be of great value to him and the allpowerful would work to keep strict monetary controls. If this Congress permits the sale of cotton allotments it is just a foot in the door to the same thing for wheat. Those of you from the wheat area know how objectionable this would be if we permitted the sale of allotments. Then in the feed grain areas, what would happen there? In this provision which I want to remove from the bill, a person with the capital could buy up allotments and eventually deny others the right to produce. I think it is wrong to set up a program to buy and sell the right to produce. I propose that we strike the section. It will not hurt in any way the operation of the proposed cotton program and would result in slightly less production.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Does not the gentleman think it would be advantageous to the Government if they were permitted to pay for the retirement of these acres, though? It would enable the Government to compensate the person who does it, and vice versa, right at the same time it would reduce production, and also would cost less than maintaining production on those lands.

Would you agree to that?

Mr. QUIE. No. I think a provision in the cropland adjustment program for the Government to make a payment to the farmer for idling his cotton acres is sufficient to take care of the idling and keeping it out of production.

Mr. JONES of Missouri. He would not cut it out permanently.

Mr. QUIE. Yes. But he would hold it out of production from 5 to 10 years. And by that time one would hope there is some solution to the cotton problem.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. GROSS. In the absence of the gentleman's amendment would the language in the bill not have the effect

of legalizing such operations as those carried on by Billie Sol Estes?

Mr. QUIE. It could be so construed. Mr. GROSS. The gentleman's amendment deals with that?

Mr. QUIE. It does. It will prevent people with a huge amount of capital going out and buying the right to produce in fact garnering large acreages to themselves. If we believe in the family type of agriculture, and if what we have been saying all these years is true, we will vote to strike this section.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Arkansas.

Mr. GATHINGS. The gentleman will strike all of page 28, including subsection "h"?

Mr. QUIE. Yes.

Mr. GATHINGS. Which has to do with a cotton allotment, or rice allotment.

Mr. QUIE. Yes.

Mr. GATHINGS. You would not object to that?

Mr. QUIE. I do not have any objection to that.

Mr. GATHINGS. It is separate. It is under "h." It does not have a thing in the world to do with the Billie Sol Estes matter at all. It would provide flexibility on the farm. If a man is able to farm rice, and he has rice equipment, and he has a cotton allotment, and he wants to swap, and vice versa, if a cotton farmer wants to farm cotton and he has some rice, perhaps they should trade.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the authority to transfer allotments between individuals is of great importance. It has been considered in our committee for a matter of years. Finally we have taken action. The situation is that many cotton farmers have acreage allotments now so small they are uneconomical units. This will enable a small farmer to acquire additional acreage from his neighbors, and add it to his own acres.

Now to point out to the membership of the House what the cotton farmer has done through the years to bring production in line with consumer demand, I need only tell you that cotton acreage in this country has been reduced from 43 million acres to 16 million acres. Under this bill that acreage will be further reduced.

Now why is it immoral or evil or wrong to permit me to sell my cotton acreage allotment to my neighbor across the road if he wants to buy it? If I make up my mind I want to go out of the cotton business, all I have to do is negotiate with my neighbor and sell out and turn my allotment over to him and he can go ahead and grow cotton and support his family and stay on the farm. That is what this bill does.

This amendment is ill advised for the reason the gentleman from Arkansas [Mr. GATHINGS] pointed out. We do permit an exchange of allotments between small rice producers and other growers; is that not right?

Mr. GATHINGS. That is right.

Mr. COOLEY. And that is your amendment and it will be knocked out of this bill, if this amendment offered by the gentleman from Minnesota [Mr. QUIE] is adopted.

We are mechanizing cotton operations in many parts of the country. We have not mechanized in North Carolina like you have in California where you have irrigation and complete mechanization. You do not chop cotton in California like we do in North Carolina. You do not pick cotton out in California like we pick it back in North Carolina and throughout most of the cotton belt so I do not see anything wrong in a man getting out of the business.

Further, Mr. Chairman, during this reduction of 43 million acres to 16 million acres, the cotton farmers have not been paid a dime for that reduction. But during all that time, we have paid producers of other commodities substantial sums of money to bring about the reduction. Now for the first time we propose to pay farmers to reduce their cotton acreage and give them the opportunity to get out of the cotton business by selling out to their neighbor and under certain circumstances to sell out to the Federal Government and get out of the business. I do not like that last provision myself, but I do like the provision permitting one farmer to sell to another farmer.

It seems to me, this amendment is very ill advised. This provision in the bill has been well considered and it has been accepted by a substantial majority of the members of our committee. I hope the amendment is defeated.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. POAGE. It has been suggested that this had a tendency to allow the concentration of cotton into large hands. Is not the truth just the reverse? As the chairman so well pointed out this enables the relatively small farmer to acquire an economic unit and under the amendment which I will offer in behalf of a great many of our Members as soon as I get recognition to do so. There will be a limit of 100 acres which would be all that a man can buy or lease as a result of the transfer provisions. So that the cotton will have to be used to help develop exactly the thing that the chairman is suggesting.

Mr. COOLEY. I appreciate the gentleman's suggestion. That is absolutely right. We do have this amendment coming up. I advised the House about it yesterday and said that the amendment would be offered.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. DENT. It seems that the question I was going to ask has been answered. In other words, you are limiting the transfer of acreage to one person to no more than 100 acres?

Mr. COOLEY. That is right.

Mr. DENT. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, I hope the amendment will be rejected.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier in the debate this afternoon the distinguished chairman of the Committee on Agriculture made a statement which can be misinterpreted unless the full picture is presented. In paraphrasing the chairman's remarks I hope to be accurate—but if not, I would like the gentleman from North Carolina to correct me.

In effect, the gentleman from North Carolina said that under the regime of Secretary of Agriculture Ezra Taft Benson, the Department of Agriculture had spent more money in 8 years than the total spent by all of the Secretaries of Agriculture prior to that time.

At this point I will not argue with the accuracy of the statement made by the gentleman from North Carolina because I have not had an opportunity to verify them. I assume them to be true.

However to complete the picture and to make a valid comparison, I should like to take the beginning of the stewardship under Secretary of Agriculture Freeman up through fiscal year 1965 and fiscal year 1966 and compare them with the 8 years of the Benson regime.

According to the facts and figures in the records, under Secretary of Agriculture Benson, in fiscal years 1953 through 1960, 8 years, the total spent by Secretary Benson was approximately \$38 billion, for an average of \$4.7 billion per year.

I concede this is a great deal of money, but it is accurate to point out that in 6 of those 8 years there was a Democratic Congress, and Secretary of Agriculture Benson was forced to spend certain amounts of money regardless of how he might have felt individually.

The interesting comparison comes when we start with Mr. Freeman's assumption of office in January of 1961.

If we take fiscal year 1961 through fiscal year 1965, a 5-year period, we find that Mr. Freeman spent a total of \$35.1 billion, approximately, or an average of \$7 billion per year. That is under Mr. Freeman's expensive and costly stewardship.

If we start with fiscal year 1961 and carry on through fiscal year 1966, a 6-year period, we find that Mr. Freeman will have spent \$41.5 billion, an average of \$6.9 billion.

Let me recapitulate. Mr. Freeman in 6 years will have spent more than Secretary of Agriculture Benson spent in 8 years.

To put it another way, the average under Mr. Benson was \$4.7 billion a year, and under Mr. Freeman it is either \$7 billion a year for a 5-year period or will be \$6.9 billion a year for a 6-year period.

In other words, Secretary of Agriculture Freeman has spent or will spend substantially more in the Department of Agriculture than any other Secretary of Agriculture in the history of the United States.

This leads me to one observation: Because of the reckless, irresponsible spending of the Department of Agriculture under Mr. Freeman I can only come

to one conclusion, that Secretary of Agriculture Freeman is the most expensive commodity ever produced by the Department of Agriculture.

At this point I include certain material that will set the record straight.

Department of Agriculture
[In rounded billions]

	Appropriation	Actual expenditure
Fiscal year:		
1950.....	\$1.504	\$2.967
1951.....	1.376	1.660
1952.....	1.818	1.151
1953.....	1.510	3.217
1954.....	1.782	2.917
1955.....	2.026	4.637
1956.....	1.613	5.177
1957.....	3.587	5.006
1958.....	6.878	4.875
1959.....	5.894	7.091
1960.....	5.641	5.419
1961.....	5.510	5.929
1962.....	5.510	6.669
1963.....	7.418	7.735
1964.....	7.020	7.896
1965.....	¹ 7.580	² 6.850
1966.....	² 6.590	² 6.350

¹ Low figure caused by liquidation of inventory piled up during Korean war.

² Estimated.

Mr. BROCK. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I am glad to yield to the gentleman from Tennessee.

Mr. BROCK. Is it not true also that under the tenure of Secretary of Agriculture Freeman the parity or income the farmer has received has been considerably lower in the past 5 years than it was in the 8 years under the Eisenhower administration with Secretary Benson?

Mr. GERALD R. FORD. It is my understanding that the parity under Mr. Freeman today is approximately 74 percent.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Let us get the record in proper perspective.

Secretary Benson never spent a dollar this Congress did not authorize. Neither has Secretary Freeman.

We cannot afford to shift our responsibility to the Secretary of Agriculture. When we write these bills on the floor of the House, we force the Secretary of Agriculture to spend the money. Mr. Freeman could not have spent any less money than he has if he had wanted to, with this kind of Congress. Neither could Mr. Benson. Let us step right up and accept the responsibility which is ours.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

If I understand the gentleman from Michigan correctly, he admits the accuracy of my statement when I said that under Mr. Benson the Department of Agriculture spent more money in the 8 years he was in office than had been spent by all his predecessors during the history of the Department.

Mr. GERALD R. FORD. I conceded that the facts may be true, though I have not had an opportunity to verify them.

Mr. COOLEY. All right. I am not going to argue about costs incurred since Mr. Freeman took office.

I do want to observe that at the time Mr. Benson took office our investment in stocks was very, very small compared to the value of the stocks taken over by Mr. Freeman. During those 8 years that we are talking about the record will show we sustained our gigantic losses and accrued our gigantic surpluses. Since that time we have been trying to dispose of these surpluses and at the same time maintain farm income, which has increased about \$1 billion a year during the years of this Democratic administration.

With that I want to end the political argument.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. BELCHER. Again I say that Mr. Benson did not spend one dollar, but every dollar of that money that was spent and every single bushel of those commodities that was accumulated was done under the leadership of the chairman of the Committee on Agriculture, with one 2-year exception, when the gentleman from Kansas was the chairman of the committee.

Mr. COOLEY. I would make just one further observation. You lose sight of the fact that Mr. Benson, perhaps prompted by political motives, refused or failed to bring about the necessary adjustments in production and permitted the inventories to go mountain high year after year.

Mr. BELCHER. I will admit that Mr. Benson year after year failed to get one single bill out of your committee that he advocated.

Mr. COOLEY. He never got one introduced either.

Mr. BELCHER. He never got one single bill that he advocated. You turned them down on every occasion.

Mr. FINDLEY. Mr. Chairman, I rise in support of the Quie amendment.

Mr. Chairman, this amendment would have the effect of keeping one of these farm programs referred to in the comments by the distinguished minority leader from becoming even more expensive than it is now. As the gentlemen on the committee and especially the chairman of the Committee on Agriculture know very well, a good many of these small cotton allotments are not now being planted. The effect of this provision authorizing the sale of cotton allotments from one farmer to another would, in effect, consolidate these small holdings of allotments and put them together in one package. They would then, of course, be planted and harvested under the very attractive subsidy provisions of the cotton program. We would have rising expenses in the program and have an even more difficult problem to wrestle with at the end of the 4-year period provided in this legislation. So I think that the Quie amendment very definitely is one which would help to improve this bill, and I hope it will be accepted.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the minority whip.

Mr. ARENDS. I would like to ask the chairman of the committee, Mr. COOLEY, a question. He mentioned political motivation. I want to say to the gentleman from North Carolina that we on our side of the aisle are novices in political motivation alongside you gentlemen of the majority party, including Mr. Freeman. I would like to know if it is possible if Mr. Freeman has his way, could the check to be delivered personally to farmers for participation in the program whether or not Mr. Freeman's representative could say to the farmer, "You may accept your check after promising to vote the way we want you to or you do not get the check." Can Mr. Freeman go that far? Some day, and I hope it is soon, our people are going to revolt against such brazen political practices.

Mr. COOLEY. Certainly the gentleman must be facetious. You know they cannot go that far.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hope I do not have to take 5 minutes, but I want to be clear on a few points that have me a little confused. In looking over the cotton section of this bill I find there is a statement made which does not quite jibe with the remarks I have heard on the floor. I would like to read what it says on page 29 and refer back to the preceding 14 points. It says that producers planting their domestic allotments would receive through marketing prices and payments a blended return of 36.65 cents per pound on their entire 1966 production.

Further up it says that we are going to the single-price system. Of course, the understanding of the single-price system is that we would put our textile mills in a position where they would be competing on a fair basis, as it were, with textile mills in foreign countries who receive our cotton at the world price. The world price, according to this particular section, is 21 cents a pound. However, this is not the price that the farmer will receive. The cotton mills wanted to divorce themselves from the program enacted last year, over my very protest, where this Congress paid a direct subsidy to the cotton mills. We are now paying it just the same, because what we are doing here is creating a single-price system. It has been the goal for many years of many of the dreamers that we could create in this agricultural subsidy program a single-price system. You cannot create a single-price system in any product which is dependent on the whims and the will-o'-the-wisps of foreign trade. The entire problem we have here today is backed right up to the impact on the American economy agriculturally and otherwise of our policies in world trade. If we are going to have a single-price system, that is one thing. The price has to be based on the cost of production. However, it is recognized from time immemorial that agriculture is one particular area of activity in any nation that has to be subsidized.

I do know this, that we are giving a subsidy in this bill to the cotton producer of 9 cents a pound out of the Treasury of the United States, paid by all of the taxpayers. I do not fight with this proposal because I believe that cotton as an agricultural product must be supported, if we are working on the basis of an economic equality with parity, for the farmer or the producer, or on the basis of an ever-full granary. There must be farm subsidy in any country that is going to exist—but if we are going to pay that subsidy, let us get away from the notion that we are not subsidizing the cotton mill in the bill. We are subsidizing the mill to the extent of 9 cents a pound.

However, how do we come—and I would like someone to answer this question—how do we come to the proposal that instead of 30 cents a pound for cotton, the producer who complies with the allotment section will receive 36.65 cents per pound for cotton, unless you are saying somewhere—and I cannot find it—that what you mean by compliance is that he will only grow cotton on the allocated acres and will not grow cotton in surplus to that amount that he is allocated? Am I right or wrong?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman.

Mr. POAGE. We are saying that and more. We are saying that he cannot grow but 65 percent of his allocated acres. And we are saying that that payment of 36 cents is made up as follows: First, the loan is 21 cents. Actually in the calculation the market price is presumed to be 22 cents. I know that the support is only 21 cents, but they figure that the market will yield 22 cents. The additional amount is made up of, first, the retirement payment for the retirement of his land and, second, the price adjustment payment. In the past, we have not required this cotton farmer to forego the use of his land.

The cotton farmers have retired nearly 30 million acres of land, but they were still able to use it. They were able to plant feed grains on it. The farmers did and they disrupted the feed grains program. Now under the terms of this bill they will not be able to use that land at all and therefore they receive the land retirement payment. That 36 cents that the gentleman is talking about includes what the farmer gets in the market, presumably 22 cents, and the 9-cent price adjustment payment, as well as the payment which he gets for his retirement of land.

(Mr. DENT'S time having expired, he asked and was given permission to proceed for 3 additional minutes.)

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield briefly to the gentleman.

Mr. JONAS. I was interested in the gentleman's comment that even if this change goes into effect there would still be a subsidy to the mill. I do not agree with that and I will tell you why. You, by law, deny access to world markets, to the world cotton supply, to the American textile industry. You permit the impor-

tation of only 1 day's supply of cotton per year.

Now does the gentleman still contend that this is a subsidy to a mill when you permit them to buy domestically grown cotton at the same price at which their competitors buy it?

Mr. DENT. I agree with the gentleman that by having on one hand a lock-out of imports and an expansion of so-called exports at a price to meet the world market competitive price, as against the domestic cost, your domestic mills are at a disadvantage. However, friend, what are you doing in the matter of wheat? There we have the opposite situation. You lock out wheat from an import base, but you charge the wheat miller in the United States a price at which he buys his wheat to pay the subsidy price to the farmer as well as the subsidy on exported wheat, completely different to what you do in cotton.

I am not fighting with your cotton program. I am trying to bring, if possible, into a very complex situation some measure of equitable thinking on the basis of what the agricultural production is.

Mr. JONAS. Mr. Chairman, will the gentleman yield further?

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. DENT. One at a time, gentlemen.

I yield to the gentleman from Minnesota.

Mr. QUIE. I would point out to my colleague from North Carolina that the problem he finds is the fact that domestic textile mills cannot buy foreign cotton. The domestic bakers and flour millers cannot buy flour and wheat either.

Mr. DENT. That is right.

Mr. QUIE. Last year only 2 million bushels out of better than 1 billion bushels were handled this way.

Mr. DENT. I appreciate that.

Mr. Chairman, in order to carry out the premise on which I am working, I would require much more time. It is too bad we have in this body limited debate. If we took more time in which to discuss these matters perhaps we could arrive at more intelligent solutions.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I congratulate my friend from Pennsylvania who makes an effort to be objective in all of these matters, but I would point out once again that the textile mills historically and forever more have bought cotton at world prices to the extent that they export goods. They have never advertised that fact but they have been paid that differential through the exporters historically and, so, they have never suffered in world trade in the finished goods.

Mr. DENT. If the gentleman will read the remarks I made on this floor when we were fighting exactly the opposite battle last year, when I was on the side of the angels. I am joined now by my opposition who have now become angels in the situation while I am becoming the devil advocate. We find that is exactly what I pointed out, that the exporters do

not pay for the subsidized price in the United States. They have always had an export subsidy allowing for the difference in their price as against foreign mills.

The real trouble is that imports produced in foreign cheap labor countries can and will undersell our mills even if we gave our mills cotton free.

Mr. OLSON of Minnesota. Mr. Chairman, I move to strike the requisite number of words.

(Mr. OLSON of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. OLSON of Minnesota. Mr. Chairman, a few moments ago we heard a discussion of the farm program costs. A very important point was made by the chairman, citing the relative position of stocks, at the beginning of Secretary Benson and Secretary Freeman's tenure in office. I shall ask unanimous consent to insert an article in the RECORD at the proper time, which appeared in News-week magazine, August 23, 1965. The article is entitled "Agriculture: Answers to Hard Problems."

ANSWERS TO HARD PROBLEMS

For almost 20 years, the U.S. farm problem has been an insoluble fact of life and an indestructible cliché, evoking visions of bulging silos and echoes of turgid oratory. The cliché remains, but the problem—almost while nobody was looking—has become surprisingly manageable.

The silos no longer bulge. In fact, Government stocks of the two biggest problem crops, wheat and feed grains, have been falling for the past 4 years and may be approaching the minimum level needed for national security and the Food-for-Peace program. At 55 million tons by the end of 1965, the supply of feed grains (corn, sorghum, oats) will be only about 5 million tons above what Agriculture Secretary Orville Freeman thinks is needed; wheat surpluses, at 800 million bushels, will be only 100 million bushels over the minimum. And butter reserves, at 96 million pounds, have already dropped below the "requirement" level of 100 million pounds. "We may need even larger reserves in the future," Freeman warns. "Whether we like it or not, it is our responsibility to prevent world famine."

The dwindling surpluses are a massive argument for Freeman in his bid to pass the Administration's farm bill, which is scheduled to go to the House floor this week. But passage is anything but a foregone conclusion. "The farm bill," said one of his top aids, "is always tough. Damn tough."

To Freeman, the new farm bill is designed to crown his drive to bring order to the Nation's chaotic farm problems. Already he has made significant shifts from earlier high-support programs. Freeman's approach includes:

Low price-support levels, to make U.S. products more competitive with those of other countries in world markets.

Additional payments to farmers, to make up for the low price supports on farm produce used in the United States.

Restricted acreage allotments, to trim farm surpluses.

Basically, Freeman aims to strengthen the farm program for a number of key U.S. crops. The biggest sticking point is wheat. The subsidy, which eventually goes to farmers, now is paid by domestic users. Freeman wants to increase that payment from 75 cents to \$1.25 a bushel.

This is a highly charged emotional issue; as one congressional insider puts it, "Don't talk to me about the merits of the bill. This is straight survival politics." Wheat users have labeled the subsidy payment a "bread

tax," insisting they will have to pass it on to the consumer.

The proposals for cotton are not as controversial, but even more complicated. Cotton surpluses are still rising, and the hope is to turn them around by boosting exports. The U.S. price would be cut to world-market levels, with farmers receiving a subsidy. At present, support levels are above world prices, and mills are paid to use U.S. cotton.

The biggest innovation is Freeman's scheme to take 40 million acres out of production permanently. He would make payments to farmers and assist them to convert the land to other uses.

The administration isn't sure how the fight will come out; by one informed count, the bill may be a full 60 votes short of passage. But Freeman himself professes confidence—and his long-range program is as utopian as ever. "We will have set agriculture's house in order by 1970," he said last week. "That will be the culmination of all our efforts." Whether he makes it or not, Freeman may already have left an enduring monument: the silos aren't bulging any more.

Mr. WILLIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WILLIS. Is an amendment pending?

The CHAIRMAN. There is an amendment to the committee amendment offered by the gentleman from Minnesota [Mr. QUIE].

Mr. JONAS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time to continue the colloquy or the discussion about subsidies, and I wish to make this one other point in addition to the ones I tried to make earlier in the debate.

If we are going to subsidize anyone in the textile manufacturing field, I think we ought to subsidize our own people instead of subsidizing their competitors abroad.

We not only have the lowest tariffs in the world, and efforts were made for years, without success, to get some tariff protection against low-cost imports of textile products from abroad. As I said earlier, to add insult to injury, we are now subsidizing foreign competitors through our export subsidy to the extent of about \$30 a bale. Do you know what the subsidy was last year when we exported 4 million bales of cotton? \$120 million. All of this shedding of tears and gnashing of teeth about subsidies to American mills, which I contend it is not a subsidy since all you do is to merely permit them to buy cotton at the same price their competitors can buy it, and not a single complaint about the \$120 million a year subsidy to foreign mills.

Earlier in the debate one of my colleagues, who is my personal friend and for whom I have a high regard, made some very critical comments about a great textile organization of this country, which incidentally is not located in my district. It is in another district in North Carolina. It is the biggest textile concern in the world. The statement was made that because of this bill the stock of this corporation had gone up 1½ points yesterday. I do not keep up with stock market quotations and have no financial or business connection with Burlington Mills. The president of that mill was an ardent supporter of Presi-

dent Johnson in the last election, so he is not in the same political camp with me.

But I went to the Speaker's lobby a few minutes ago and examined the Wall Street Record, and while Burlington Mills stock did gain 1½ points yesterday, Zerox went up three points. I have not heard of Zerox benefiting from one-price cotton. Fairchild Camera went up four points, and I have not heard of that company having any interest in this bill.

I would like to say with respect to these exorbitant profits that have been referred to, that the textile industry for a long period of time has been depressed. The record will show that in 1964 textile industry profits amounted to 3.1 percent of sales after taxes. In 1964 the comparable profits of manufacturing industries at large was 5.2 percent. Even with all the textile prosperity the industry is not keeping up with the rest of the manufacturing industry of this country. Textile profits last year were not higher than 16th in the list of major manufacturing industries. The textile industry's earnings were only about 60 percent of the U.S. average.

Let us keep these facts in mind and not be misled by allegations of excessive profits.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Pennsylvania.

Mr. DENT. In fairness, it must be admitted the textile industry did not ask for a domestic subsidy.

Mr. JONAS. It did not want one last year; it does not want one now.

Mr. DENT. Let us get down to the bases. They did ask for the only kind of relief that is compatible. They asked for relief on the basis of a compensating factor at the customhouse, enabling them to compete with incoming products by having an assessment made against the cotton content of imported products at the value they had to pay for cotton in the United States that they process. This is logical, it was right because the Tariff Commission themselves had denied the same relief on glass and all other products affected by these imports. It was denied because they felt the way to world peace and prosperity lay through being free, but they did not go into the question of who is free and who are the slaves.

Mr. JONAS. The gentleman is correct. Industry made every effort to get relief, not only through the Secretary of Agriculture, but through executive agencies, and failed to do so. The bill last year provided the only relief that was left.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment to the

amendment offered by the gentleman from Minnesota [Mr. QUIE].

Mr. WILLIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. WILLIS. Mr. Chairman, am I not right in stating that the pending amendment offered by the gentleman from Minnesota [Mr. QUIE] is an amendment to the committee amendment?

Mr. COOLEY. I will tell the gentleman that that is correct.

Mr. WILLIS. While I do not want to deprive the gentleman from Missouri of his right to offer his amendment, the amendment that he proposes to offer now is an amendment in the third degree; is it not?

The CHAIRMAN. The gentleman is correct. It would be an amendment in the third degree.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

When we get to these parliamentary questions, I am not much of a parliamentarian. But what I was trying to do was to retain section 406 of the amendment. I would ask the author of the amendment, the gentleman from Minnesota [Mr. QUIE] if he would object if I would ask unanimous consent for the amendment to be revised by omitting any reference to section 406.

Mr. QUIE. I will object to it myself. Mr. JONES of Missouri. Well, that is hurting your own cause.

Mr. Chairman, one section in this bill has a lot of merit and that is section 406 to be found on page 29. It provides that the Secretary of Agriculture can buy the cotton allotments and hold them in reserve until such time as they may be needed. I think they would be held in reserve a long time. I think that by doing that we would eliminate the necessity for a reduction in the national minimum allotment if we permit people who have allotments to sell them to the Government.

This section provided for 25 percent above the rate of annual payment that could be made for these acres. In other words, many of these people who have small allotments and do not plant them, retain them because it does add a value to their land. If they could be compensated for that acreage, we would take that cotton acreage out of production which the grower does not want to grow and it would relieve the surpluses that we are accumulating each year. Last year we accumulated approximately 2 million bales of cotton which were produced on the 1.5 million acres of cotton acreage that were released and reapportioned to areas where they produced more than the area from which it was released. In that way I think everybody, whether you understand cotton or not, can understand that if you have an allotment producing half a bale of cotton and that it can be released and it moves to an area where they are producing a bale or two bales of cotton, then you are going to produce twice as many bales or maybe even four times as much cotton as would have been produced.

This amendment of mine, which, of course, is not before the House, but I

would hope to get it before the Committee before we leave this subject, would permit those allotments to be sold and to be taken out of the national allotment until such time as it was needed. Then if we get into an emergency, the Secretary can put them back. But they would be taken out. I think this meets with the approval of an overwhelming number of the cotton producers, particularly the small producers who do not want to produce but who up to the present time have not received anything for their allotment but merely release them every year and they have been required to plant one-tenth of an acre every 3 years in order to retain their allotment. This would actually help reduce this allotment and I hope you keep that in mind. If the QUIE amendment should be voted down, then, of course, the section would remain in the bill.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment to the committee amendment offered by the gentleman from Minnesota [Mr. QUIE].

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. POAGE

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 14, beginning on line 24, strike out all of paragraph (2) and renumber paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

On page 15, line 12, insert a comma after the figure "344", and strike out the words "or planting cotton on a farm for which no allotment was established for such crop," and on page 15, line 15, change the period to a colon and add the following language:

"Provided, That this subsection shall be applicable only to farms for which farm acreage allotments were established for 1965 and the farm operator for the current year was the operator of such farm for 1965 or has acquired such farm by inheritance from the operator since such year. The operator of any farm who elects to forego price support for any such year under this subsection shall not be eligible for price support on cotton on any other farm in which he has a controlling or substantial interest as determined by the Secretary."

On page 18, beginning on line 6, strike out paragraphs (4) and (5) and insert in lieu thereof the following:

"(4) The Secretary shall provide price support payments in addition to the payments authorized in paragraph (3) to cooperators who divert from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That such diversion shall not exceed 35 per centum of the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended.

"(5) The combined rates of the payments under paragraphs (3) and (4) for the 1966 crop shall be made on the farm domestic acreage allotment determined on the basis of the farm acreage allotment without regard to acreage reapportioned to the farm under section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, and shall be in amounts as follows:

"(A) For farms on which the acreage planted to cotton does not exceed the farm

domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

"(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

"(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

"(D) Notwithstanding the foregoing provisions of this paragraph, no payment shall be made with respect to the domestic allotment portion of any acreage reapportioned to the farm under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, greater than 42.9 per centum of the basic level of support established under paragraph (2).

"The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance."

On page 22, beginning on line 24 after the word "exceed", strike out the balance of the sentence and insert: "an acreage equal to 85 per centum of such farm acreage allotment determined without regard to any acreage reapportioned to the farm under paragraph 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, plus an acreage not to exceed the number of acres reapportioned to the farm under such paragraph."

On page 25, line 9, change the period to a colon and add: "*Provided*, That the authority granted under this section may be exercised for the calendar years 1966, 1967, 1968, and 1969, but all transfers hereunder shall be for such period of years as the parties thereto may agree.

On page 26, beginning after the semicolon on line 3, change item (v) to read as follows: "(v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) established for such farm for 1965 by more than one hundred acres."

Mr. WILLIS (interrupting the reading). Mr. Chairman, this amendment was explained yesterday by the chairman of the full committee [Mr. COOLEY] and was printed in the RECORD, so I ask unanimous consent that further reading may be dispensed with and that the amendment may be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. POAGE. Mr. Chairman, this amendment is not a committee amendment, I offer it as my own, but it has been approved by a number of members of the committee from one coast to the other. It has been approved by the representatives of the Department of Agriculture. I believe it can be taken for granted that it does meet with general approval throughout the cotton belt. On the other hand, like the very bill itself, no one of us would have written this just as it is. Like the bill, this is a compromise, but I think it is a rather remarkable compromise. It has support from Carolina to California and that is what you must have to pass a bill.

Of course, there will be those who are opposed to doing anything, but each part of this amendment is a correction or a

modification of the program that was set out in the bill. It improves the bill but it does not destroy or disrupt any of the vital features of the bill.

Taken as a whole this amendment will make the program much more flexible. It will allow a much less onerous imposition of regulations throughout the cotton-growing area, and many of us have felt that the bill as written requires too much reduction in the old cotton areas.

The first section of the amendment simply allows reapportioned acres to cross county lines, that is in keeping with the long-established practice.

The second section of the amendment would limit the right to open-ended production to those who are presently growing cotton and who have an allotment. Thus it would be impossible for someone who has not been in the business but who wants to become a speculator to rush out into a newly developing area and plant unlimited amounts of cotton.

The third section of the amendment would provide that all of the farms under one ownership must have the same status; that is, no cotton grower could have one farm on which he was planting open end, without limitation, and another farm on which he would say he was complying with the regulations and drawing the payments. If he were to plant more than his allotment on one farm he would lose his payments on all the farms that he owned.

The next section of the amendment provides that payments on farms receiving reallocated acres shall be based on the domestic allotment just as all payments are.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Will the gentleman tell us how the sections are numbered. I cannot follow him.

Mr. POAGE. On page 18, beginning with line 6, we would strike out paragraphs (4) and (5).

Mr. ABERNETHY. And substitute what therefor?

Mr. POAGE. And provide there that in the event a farmer receives reallocated cotton he must put 15 percent of his own allotment into the reserve, just the same as anybody else would.

For that he would receive exactly the same payment that anyone else will. Such a farmer would not be permitted to retire any reapportioned acres—at least he could not receive any payment for retiring acres which were given to him, but he would be eligible to place the production of all of his permitted acres in the loan—which he would only do if the world price fell below 21 cents. He would also be eligible for production payments on 65 percent of both his basic allotment and of his reallocated acres. The 65 percent will receive the same kind of payment as anyone else will.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes. I yield to the gentleman.

Mr. JONES of Missouri. I think you are confused a little bit. You mean on the 35 percent he would just receive the

loan value of 21 cents and not receive the 9-cent payment.

Mr. POAGE. That is right.

Mr. JONES of Missouri. You had it just the opposite.

Mr. POAGE. I beg your pardon. He would only receive the loan value, which is presently 21 cents. Then it takes all of that long wording which you find on page 2 of the amendment to provide for the payments, because, as I explained awhile ago, the payments here are combined. The payments for retiring land and the 9 cents production payments are combined and you have to take each one of these and each one of these possible combinations has to be figured separately.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. POAGE asked and was given permission to proceed for 3 additional minutes.)

Mr. POAGE. Mr. Chairman, the next part of the amendment is merely a technical change taking care of a mistake we had in the original bill. That merely changes the definition of a cooperator so as to include the acres that he receives in reapportionment. He should still be a cooperator although he has under reapportionment received reapportioned acres. The old definition was wrong on that, and this corrects an error.

On the last page, on page 25, we provide that while the authority granted under this section extends only for the life of the bill but that any contracts entered into during the life of the bill extend for the period of the contracts. In other words, while we have a 4-year bill it is possible during that 4 years to make a sale or a lease running far beyond the 4 years.

Mr. DENT. Mr. Chairman, will the gentleman yield for a question?

Mr. POAGE. I yield to the gentleman.

Mr. DENT. Mr. Chairman, as I understand, from the explanation given by the gentleman, if a person does not use any of his allotments, he is eligible to a payment of up to 15 percent of his allotment for retirement, is that correct?

Mr. POAGE. That is correct; yes, sir.

Mr. DENT. Then, the second step: He may have the balance reapportioned to some other farm or farmer?

Mr. POAGE. That is practically correct. Technically, he puts in the county pool, and reapportionment takes place out of the pool. He cannot reapportion it directly to some specific individual.

Mr. DENT. But it is reapportioned. Then the person who receives the reapportionment—and this is, I think, a good feature of the bill—is not eligible for any retirement payments on any of his land since he is receiving a reapportionment of a greater allotment from the reapportionment pool; is that correct?

Mr. POAGE. No. He has to retire 15 percent of his allotment just as anyone else has to to become a "cooperator" and on that land which he retires only, he is entitled to receive the retirement payments, because he cannot use this retired land for anything else. He cannot however, get any retirement payment on any of the acres that are reapportioned to him.

Mr. DENT. Mr. Chairman, there is such confusion here—perhaps it is in my mind, because I am not well trained in the matter of cotton, and I admit it—but the committee's own report says that participating farmers receiving reapportionment acreage will not be eligible for land retirement payments.

Mr. POAGE. What the gentleman is reading is correct but it relates to the bill as written and I am discussing the amendment I introduced.

Mr. DENT. I understand that part of it.

(Mr. POAGE'S time having expired, at the request of Mr. DENT, he was given permission to proceed for 2 additional minutes.)

Mr. DENT. Mr. Chairman, let us go to the next feature of this reapportionment.

It is a very difficult thing in my humble opinion. If a person receives reapportionment acreage, is he or is he not allowed to sell the yield from these acres in world trade?

Mr. POAGE. He is allowed to sell the yield from the reapportioned acres.

Mr. DENT. Then, again, your report is rather confusing, because, as I understand from your own report here, it says that acreage surrendered for reapportionment under the release and reapportionment provision cannot go outside the county.

Is that limited to the county they are in? Can the person move his acreage from one county to another?

Mr. POAGE. I think that what the gentleman is talking about in the report is the transfer of reapportioned acres, not the sale of the cotton grown thereon, but the transfer of the reapportioned acres themselves.

Mr. DENT. And that is restricted to the county?

Mr. POAGE. It is under the terms of the bill. But the very first section of the amendment which I offered here, in the very first section, does provide that you can cross county lines.

Mr. DENT. Do you keep it within a certain area?

Mr. POAGE. We keep it within the State, the same as the present law.

There is one other feature to the amendment, and that is we limit the number of acres that one can acquire by purchase or lease to 100 acres in addition to what the purchaser has in his allotment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. DE LA GARZA. Mr. Chairman, I would like to ask the gentleman if he will answer this question that comes from my district. If a cooperator joins the program and retires 15 percent of his allotted acreage in cotton, are there regulations as to what he can or cannot plant on the 15 percent that he retires?

Mr. POAGE. He cannot plant anything except soil conservation crops on that 15 percent.

Mr. DE LA GARZA. If he has additional acreage, can he plant anything on the additional acreage that is not in the basic cotton allotment?

Mr. POAGE. Yes, sir; unless there is some crop that he is prohibited from

planting in some other way. There is nothing in this bill or amendment which prohibits him from planting his other acres in any way that he wants to.

Mr. Chairman, the whole effect of this amendment will be to make the reductions which we all realize are necessary a little less burdensome. I wish it were not necessary for anyone to reduce his production. I know that these cuts in cotton production are going to hurt a lot of service industries. I wish this could be avoided, but I believe that it will hurt less to cut enough to bring the cotton industry back to health than it would to let the sore of overproduction fester for years. I feel that this is especially true when we have been able to pay the farmer enough to protect him against loss, and this bill does this.

Finally, I want to extend my thanks to the California and the Old South Representatives who, in a mutual effort to pass a bill, were willing to compromise for the common good.

Mr. COOLEY. Mr. Chairman, I should like to inquire whether we can reach an agreement on time.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman from North Carolina yield for a parliamentary inquiry?

Mr. COOLEY. Yes, sir.

Mr. RHODES of Arizona. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RHODES of Arizona. The inquiry is whether or not the amendment offered by the gentleman from Texas is separable? In other words, is it possible for the three elements to be separated and to have a separate vote on each?

The CHAIRMAN. As the Chair understands, the gentleman from Texas offered his amendments en bloc. They are subject to severance.

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent that that part of the amendment which deals with section 401, subsection 2, beginning on line 24, on page 14, and extending through line 5 on page 15, be severed.

The CHAIRMAN. Will the gentleman from Arizona restate his request?

Mr. RHODES of Arizona. Mr. Chairman, my request is that that part of the amendment of the gentleman from Texas [Mr. POAGE] which deals with section 401, subsection 2—

The CHAIRMAN. On what page?

Mr. RHODES of Arizona. On page 14, that part beginning on line 24 of page 14 and extending through line 5 on page 15, be severed and be considered separately.

The CHAIRMAN. The gentleman from Arizona has in mind paragraph 2?

Mr. RHODES of Arizona. Subparagraph 2 of section 401.

The CHAIRMAN. And how far?

Mr. RHODES of Arizona. All of subparagraph 2.

The CHAIRMAN. Subparagraph 2?

Mr. RHODES of Arizona. That part of the amendment which deals with the subparagraph.

The CHAIRMAN. The first part of the amendment?

Mr. RHODES of Arizona. That is right.

Mr. COOLEY. Mr. Chairman, I want to understand the proposition that is now before the House.

My request was that we try to limit time on the pending amendment, which is the Poage amendment, which has just been presented.

The CHAIRMAN. The Chair had not understood the gentleman to make such request.

Mr. COOLEY. I now make that request, Mr. Chairman, that we limit the time to 30 minutes on the Poage amendment, and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, why do we not have the Members stand who are going to offer amendments to this amendment? We have so many of them.

Mr. COOLEY. If the gentleman will yield, they are not all going to offer amendments.

Mr. JONES of Missouri. I do not know whether they are or not.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] requests unanimous consent that all debate on this amendment conclude in 30 minutes, and all amendments thereto.

Mr. RHODES of Arizona. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RHODES of Arizona. Has the Chair ruled on my request?

The CHAIRMAN. The Chair has advised the gentleman that the amendment was subject to severance and at the proper time the Chair will act accordingly.

Mr. RHODES of Arizona. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RHODES of Arizona. Will the unanimous-consent request of the gentleman from North Carolina refer to all parts of the amendment of the gentleman from Texas?

The CHAIRMAN. As the Chair understands, the gentleman's request has to do with this amendment and all amendments thereto.

Mr. COOLEY. That is right.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, you have about six amendments in here and now you want to dispose of all of them at once. I have two amendments to this amendment and I would certainly like to have some time to discuss them.

Mr. COOLEY. The gentleman will have such time.

Mr. JONES of Missouri. There are only about 25 Members standing who have amendments and the gentleman's request did not provide sufficient time for a discussion of all of these amendments.

Mr. COOLEY. Mr. Chairman, I ask

unanimous consent that all debate on this amendment and all amendments thereto conclude at 6:15 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. LANDRUM].

(Mr. LANDRUM asked and was given permission to revise and extend his remarks.)

Mr. LANDRUM. Mr. Chairman, the gentleman from Texas [Mr. POAGE] has introduced an amendment to this bill which I believe will strengthen the cotton provisions of the bill and provide additional safeguards for individuals and communities which depend upon this important commodity. It would give the cotton grower additional flexibility in his operation and, I believe, encourage participation in the program.

Specifically, title IV would be amended at six points.

The first change would permit the release of allotment to State committees as in the past. In recent years, growers have released in the area of 400,000 acres to State committees for reapportionment within the States. H.R. 9811, as introduced, would not permit this. This change would provide a minimum of disruption to growers who have received acreage from release and reapportionment in the past.

The amendment would also change the bill to provide that an operator who chose to overplant his acreage allotment on one farm could not participate in the program on any other farm in which he had a substantial interest. This amendment is offered in recognition of the fact that the supply of cotton is very near the alltime record—and can be expected to rise above that record by the end of the 1965-66 marketing year. I concur with the position taken in the original bill that there are cotton producers who would like to have the opportunity to produce cotton at the world price. This amendment, however, would provide that once a farmer decided to do this, he could not participate in the program on another farm where he has a substantial interest. He could produce all the way—or comply all the way—but he could not have it both ways. A fair and equitable provision, I believe.

The changes proposed on pages 18 and 22 would provide that farmers who receive reapportioned acreage would receive price-support payments on the farm domestic acreage allotment computed without regard to reapportioned acreage. The farmer who received reapportioned allotment would be eligible for price support on the cotton harvested from that acreage—but would not receive diversion payments. He would get diversion payments on acres taken out of the original allotment.

The amendment would provide a change on page 24 of the bill to make the sale and lease provisions effective only through the 1969 cotton crop. In other words, the sale and lease provision

would be effective in 1966 through 1969, conforming to the 4-year duration of the price-support and diversion program provided in the bill. Of course, any sale of acreage during the 4 years would be permanent, and any lease would continue for the duration of the lease. This amendment would give the Congress, at a later date, an opportunity to reconsider this provision—along with other provisions affecting the cotton program. In H.R. 9811, as introduced, there is no termination date for the provision authorizing sale and lease of cotton allotments.

The amendment would limit to 100 acres the total cotton allotment that could be transferred by sale or lease. In other words, any one farm could add no more than 100 acres above the 1965 farm acreage allotment—less whatever acreage might be reapportioned to the farm.

Mr. Chairman, this amendment has been offered to H.R. 9811 in a constructive spirit—and in recognition of the fact that the cottongrower and the entire industry have a tremendous stake in the one-price cotton program which this bill would provide. The American cotton industry has been losing markets—both to synthetics here at home and to cotton produced in other countries. H.R. 9811 is the best solution to the need for making U.S. cotton more competitive, maintaining income to growers, and reducing the oversupply and excessive Government costs that are now present in the cotton program. Without positive action as provided in H.R. 9811, cotton could well be on its way to a minor position in the farm economy and in the textile business of this country. This amendment would strengthen the bill at several key points—making the program more effective as well as more popular with growers.

Now, Mr. Chairman, there is another very serious question for consideration here. The Nation's 7,500 textile mills are great manufacturing enterprises, and we cannot weight the future of the Federal Government's cotton program without considering the welfare of this vital industry.

There are four principal reasons why the welfare of cotton and the welfare of the textile industry cannot be separated.

First. By law, the textile industry is required to use American cotton in cotton textile manufacturing, and more than half the fiber it consumes is cotton.

Second. Raw cotton costs constitute a prime factor in the marketability of cotton textiles here and abroad.

Third. We know from long experience that only competitively priced cotton can share fully in an ever-growing market for textile products.

Fourth. The textile industry's future plans for expansion, market and technical research, sales promotion, and personnel recruitment are strongly influenced by the Government programs affecting the production, marketing, and pricing of cotton and other fibers.

The pending legislative proposals concerning cotton are of extraordinary importance to the textile industry. This is because they would supplant the Agricultural Act of 1964 on July 31, 1966.

Until a new cotton program is legislated, our textile makers will be uncertain of cotton costs for goods produced after the second quarter of 1966. This is a very key consideration to them because of the strong practice of forward selling in the textile market.

The 1964 act permitted for the first time in 8 years the practice of buying American cotton here at home for the same price for which we sold it overseas. Previously our textile mills were the victims of a most invidious price discrimination which required them to pay at least 6 cents, and sometimes as much as 8½ cents, a pound more for American cotton than the price paid by foreign manufacturers.

It is not my purpose to condemn the intent of this program. It was certainly conceived of to be of benefit to the American cotton grower, who was losing his foreign cotton markets. But the program in practice worked equally serious harm upon his domestic markets. American textile manufacturers, who today consume two bales of American cotton for every one that is exported, turned from cotton to other fibers because of this price discrimination.

The Congress last year granted them a release from this unfair, inequitable two-price program. The American textile industry has responded by:

First. Displaying a revival of confidence in cotton as a textile fiber by increasing its consumption.

Second. Increasing employment, boosting the operation of spinning and weaving equipment, and raising hourly wages.

Third. Expending record high sums of capital for new plants and more modern equipment, much of it geared to the industry's future plans for cotton products.

Fourth. Intensifying research and promotion designed to stimulate the demand and meet the need for textile goods made from cotton or blends of cotton and other fibers, the fastest-growing type of textile product sold today.

This performance is indicative of the American textile industry's ability to offer the Nation's raw cotton producers a forceful, forward-looking, growing market through which their output can be channeled to consumers and thus attain a true value.

I say the benefits of one-price cotton have been great beyond measure. In considering renewal of the one-price cotton program, the Congress has an opportunity to capitalize on the momentum thus far derived from the one-price policy and to make certain that it will be maintained. To do otherwise will represent a retreat from an enlightened policy, the effects of which would be most far reaching, perhaps devastating to one of the most vital industries in the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. DICKINSON].

(Mr. DICKINSON asked and was given permission to revise and extend his remarks.)

Mr. DICKINSON. Mr. Chairman, in a day when we direct much of our efforts toward the elimination of poverty in our

country, we cannot afford to ignore the probable effect that some provisions of title IV of H.R. 9811 would have on our economy.

Cotton continues today to be the economic base of many areas of the southeast as well as other parts of our country. Cotton farmers and the associated businesses and industries which are dependent on cotton will be adversely, if not ruinously affected by the provisions of title IV of this bill.

Specifically, Mr. Chairman, provisions of the bill pertaining to lease and transfer of cotton acreage allotments would severely damage the acreage release and reapportionment program. By prohibiting a county committee from surrendering any excess released acreage to a State committee for reapportionment to farmers in other counties of a State, this section of the bill will systematically and irrevocably reduce valuable cotton acreage allotments in many States.

The ultimate effect of this will be a reduced income and damaged economy in States which have traditionally relied on cotton as an economic mainstay.

Also, the provision of title IV which allows any producer to plant cotton on an unlimited basis by not subscribing to the program will certainly add to the present cotton surplus and thereby increase the cost of the cotton program.

I contend, Mr. Chairman, that it is grossly inconsistent to pay cotton farmers in the program to reduce their acreage while at the same time allowing unlimited production by those outside the program.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I regret that I was unable to follow fully the wording of the amendment. But I do wish to address myself on the matter of release and reapportionment. It sounds very good and some years ago I introduced a bill permitting small farmers annually to sell their allotment through the county office to some other farmer in the area. That would tend to keep cotton production in a community and assist the community. But I think it is wholly unsound to let those who have plenty of money go out and buy cotton acreage and add it to their land on a permanent basis. Particularly do I think it would be bad to carry it across county and State lines.

Now I am not opposed to those folks who have to have larger units in order to have an economical operation, but I say to all of those in the cotton production business, it is my firm belief that the minute you let cotton get into a few hands you will lose even more support in the Congress and have less people who are interested in your problems. It means the death knell for the price support program which is so essential to offset the high costs brought about by other laws in behalf of labor, industry, and so forth.

So if I understand the amendment correctly, as offered by the committee, it would improve the situation but it would still leave it so that a man might add cotton acreage to his farm and in-

crease the value thereof, but in the process it would be lessening our chances to keep an essential farm program in the years ahead.

Again I want to say, I am kind of like the proponents of the amendment—I do not quite understand it yet and I do not believe they really understand it either. I do mean the statements I have made.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, I would like to address myself to that portion of the bill that deals with release and reapportionment.

In the bill it is provided once again that releases and reapportionment of acres may be surrendered only to the county committee. Some years ago the Congress amended the act so as to provide that such acreage may be released to the State committee. We are asking that the law be returned to the previous position so that acreage which is surrendered to be released and reapportioned can only go to the county in which the original owner had his farm.

Mr. Chairman, this is truly an economy vote. The amount of money involved in release and reapportionment acres as far as stocks going into the Commodity Credit Corporation is quite large. The best estimate I have heard is somewhere near \$80 million.

On top of this, Mr. Chairman, the cotton which is raised in the areas in which there is the most release and reapportionment largely goes to the Commodity Credit Corporation. In other words, this is cotton which is not redeemed from the loan but which actually becomes part of the stocks of the Commodity Credit Corporation and becomes the property of the United States of America.

So in my opinion and, I think it will be proved out, this will not do the taxpayers any good if we pass this amendment. The bill will do the taxpayers a lot of good and it will not result in any hardship to any particular farmer.

Mr. Chairman, when the division of this amendment is made, I ask that that part of the amendment which deals with section 401, paragraph (2) be voted down so that the bill as it is now written will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SISK].

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, I might say in behalf of those of us in the Western area of the country, actually to be honest, we would have preferred the original language. But we realize that out of compromise comes all good legislation and that there are problems in other areas of the country. So I am here to support the amendment offered by the gentleman from Texas because I think overall and in the final analysis this bill with his

amendment will provide a good workable cotton program which will redound to the benefit of the program in the figure.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. SISK. I am glad to yield to my colleague, the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, in connection with the remarks that I was making a few minutes ago when my time expired, I want to call the attention of the Member of the Committee to some very vital facts.

With the enactment of the legislation last year, providing for one-price cotton the textile industry responded by vast new investments, improvements, and expansion of the industry. Beyond that, it responded by stabilizing employment in the industry, whereas it had had unstable employment, ranging from one-half time to about one-third time. Many textile employees were working less than 30 hours per week. Now it is full time.

Moreover, the industry has responded with at least three 5-percent wage increases across the board in the entire industry.

I heard today my dear friend, the gentleman from Mississippi [Mr. ABERNETHY], refer to Burlington, a prominent member of the textile industry. There was an implication that this member of the industry and, the textile management as a whole were guilty of using profits derived from one-price cotton for their own personal enrichment but the sheer fact of the matter is that they have been engaged in expanding opportunities for employment, increasing wages for the textile workers, and improving the conditions under which they work. Yes, improving and increasing the market for cotton producers. The gentleman from North Carolina [Mr. JONAS] has replied to this allegation very forcefully but one point on this charge should be made clear. Members will find on study of these charges that any allegation concerning high profits being related to the use of cotton by Burlington is out of line, because the fact is that about 75 percent of the products manufactured by Burlington Industries are from man-made fibers, synthetics. Only some 20 to 30 percent of the materials they use in the manufacture of their products are raw cotton.

As a matter of fact, the textile management is now having its mind reoriented toward the use of cotton, whereas before we enacted the legislation last year providing for one-price cotton its mind was directed toward finding a complete substitute for cotton, taking away from the cotton producers in Mississippi, in Georgia, and in Alabama, and Arkansas, North Carolina, and others the market they must have in order to continue growing a product vital to so many small communities in the Southeastern United States.

In the textile industry employment is more stable, wages are higher, and workers are enjoying a greater purchasing power than ever before in the history of this industry. One-price cotton is essential. Let us keep it.

I thank the gentleman for yielding.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, as I understand the amendment offered by the gentleman from Texas [Mr. POAGE], it would impose a limit of 100 acres on the amount of cotton allotments any one man could buy under the authority to sell or transfer allotments.

Am I correct in saying it would impose a limitation of 100 acres on the amount of allotment acres which could be sold or leased under the authority of this program?

Mr. POAGE. Which could be acquired by any one owner under the authority. There would be no limit on the amount sold, but there would be a limit on the amount any one individual could acquire.

Mr. FINDLEY. This is a sort of limitation on bigness.

I wanted to ask the gentleman if this means there is a sort of trend toward limitation in this bill, and can I expect the gentleman to support an amendment which would put a limit on the amount of dollars anyone could get from a program of this sort? As I mentioned earlier, this program would authorize payments as high as \$1 million a year to some cotton farmers.

Would the gentleman comment on that?

Mr. POAGE. Inasmuch as it is anticipated there will not be enough released acres to go around, we are trying to make these released acres go as far as they can to give as many people as possible economic units on which they can make a living farming. It is not a proposition of trying to penalize anybody. When there is not enough to go around you have to spread it out thinner than otherwise you would spread it.

Mr. FINDLEY. This does indicate some limitation trend in this bill. I hope this trend will apply to a limitation on payments under this program, which truly would be excessive.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, the amendments that we are now discussing are the ones that were agreed to the day before yesterday at 5 o'clock and which we discussed yesterday. They were supposed to solve all of the ills with respect to this program—this cotton provision. Those of you who feel that they would do that I think, should not get too happy over that thought. As a matter of fact, it is desirable to permit released reapportioned acres to go across county lines. There is nothing wrong with that. It is all right. It is a good thing that you are going to perfect the release and reapportionment provisions here. There is nothing wrong with that. But it is innocuous. It means little.

Another thing they have done in these amendments is this: they have said that you had to grow cotton in 1965 in order to be eligible to overplant in 1966, 1967, 1968, and 1969. Yes, you are going to have to be a cotton grower—that is all—to overplant.

Under the law that is on the statute books today there is a 50-percent penalty for overplanting, and believe me a farmer is going to think a long time before he will pay a 50-percent penalty and overplant his allotment. This bill will knock that 50 percent out, and the gentleman's amendment has nothing in the world to do with it at all except to say that you have to plant cotton in 1965. That is all. Then you can overplant in the next 4 years.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. Yes. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I want to ask you, is this the eyewash that the gentleman was mentioning yesterday?

Mr. GATHINGS. This is wholeheartedly the eyewash. Absolutely. I agree with the gentleman. It is eyewash it is innocuous, and it is shadowboxing. That is the word I think ought to be used to describe the result of attempting to improve and make acceptable the cotton title to this bill.

In the first place, I do not think that this Congress would want with one hand to say we are going to pay you to take your land out of production and then on the other hand over here we will say we are going to let you plant all the cotton that you can plant on your farm. That is what we are doing here.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ABERNETHY. Mr. Chairman, I yield my time to the gentleman from Arkansas, and I ask unanimous consent that I may do so.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. GATHINGS. I thank the gentleman, my friend from Mississippi.

That, to my way of thinking, is not good legislating.

Now let us look here at this release and reapportionment for just a moment. Release and reapportionment was agreed to by this Congress in 1959. It just provided that if a farmer did not want to plant his allotment, he could turn it in to the county committee and it could be planted there in that county and give the people there who grow cotton an opportunity to do so. But if they do not want to plant it within the county they could turn it over to the State committee for reallocation in some other part of the State where it could be that another farmer had the equipment and the capital and the land to plant it. It has been working fine. It is a marvelous law. In one of the years since the program was effective, 1.6 million acres was released by the farmers. Out of that 1.6 million acres, 600,000 have gone to the State committee and was reallocated to the various counties that wanted to plant cotton.

What will be the result here by virtue of these amendments on release and reapportionment? It is not going to mean a thing in the world basically. Oh, no. It is not going to help us to keep release and reapportionment. Why? Because of the fact that there are three methods

in this legislation which provides that you get paid for your cotton allotment. First of all, we just talked about one awhile ago where the farmer can sell his cotton allotment to his neighbor; second, he can sell it to the Government of the United States.

Third. There is a provision in here known as title 6 that provides for the recreation of the soil bank. So you can put it in the soil bank. All we are doing here is just talk, with regard to the amendments being helpful to the continuation of the release and reapportionment because there are not going to be any acres to pass out to farmers. We are talking about nothing. It is an empty bag. I fear some of you may have been carried on a "snipe hunt" because the farmer will be able to realize money out of their allotments. That is all there is to it. All these amendments will mean nothing, although they are not objectionable. But they are not going to solve the problem that we seek to solve with respect to cotton.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri to the amendment offered by Mr. POAGE: Strike out the first paragraph, which reads: "On page 14, beginning on line 24, strike out all of paragraph (2) and renumber paragraphs (3) and (4) as paragraphs (2) and (3), respectively."

Mr. JONES of Missouri. Mr. Chairman, this is the same thing that the gentleman from Arizona wanted to have a separate vote on, so this will give you an easy way to vote on this. The gentleman from Arkansas mentioned the fact that there was not going to be any release and reapportionment. The House Committee on Agriculture reported this bill out and there were a lot of meetings around here and there. I get a little leery about who is attending those meetings and what they agree to. And since they put in this bill that they want to strike out that section which limited the reapportionment to the counties where it was released, it makes me think that there must be some reason why they wanted to let it go out of the county.

I used time a minute ago to tell you what happened. There were 1,500,000 acres of this cotton released and reapportioned which resulted in the production of more than 2 million bales of cotton and this increased allotment cost the Government more than \$80 million.

If you cannot support this amendment, you are just in favor of throwing money away.

There are some other points in this amendment. I am going to vote against the whole amendment, if we do not get some of these things taken out, but I have another amendment that I hope to be able to offer later.

But just imagine this. They are going to pay a man for taking out 15 percent of his acreage and he is going to

draw 10½ cents a pound for the projected yield. They say, well, he is paying for it. On the other hand, we are going to give him reapportioned acres to make up for the 15 percent that you paid him for and he is going to grow cotton on it and he is going to get support for that. If that is not the silliest thing I ever heard of, I do not know what is.

So I would like to have a vote on that amendment and then I would like to offer another amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri to the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 36, noes 47.

So the amendment to the amendment was rejected.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offered an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri to the amendment offered by Mr. POAGE: On page 3 of the typewritten amendment strike all of the last paragraph which reads, "on page 22 beginning on line 24, etc."

Mr. JONES of Missouri. Mr. Chairman, in that amendment they want to insert a thing that says "an acreage equal to 85 percent of such farm acreage allotment."

Mr. Chairman, I read to the members of the Committee this explanation of that because I think it makes it easier. The amendment on page 22 would provide that a cooperator for purposes of the bill would only have to divert 15 percent of the farm acreage allotment determined before any acreage is reapportioned to the farm—

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, what this amendment would do would be to strike out the definition of a "cooperator." Of course, if you strike the definition of a "cooperator," you will pretty much place the bill in an impossible position.

Mr. Chairman, what we have done here is to say that a man is a cooperator when he retires 15 percent of the allotted acreage. That makes him a cooperator and he is still a cooperator whether he receives or whether he does not receive reallocated acres. If you are going to allow any reallocation, you have to have a method whereby a man can remain a cooperator after he receives the reallocation.

The purpose of the amendment or at least the effect of the amendment would be to achieve exactly what the gentleman from Missouri has very frankly and very fairly suggested he wants to achieve and that is to wipe out all of the release and reapportionment program of every kind and character everywhere.

I believe it is pretty generally understood that this release and reapportionment is a rather vital factor in a very large part of the Cotton Belt. I think it is clear that there is at least a substantial and probably an overwhelming

majority of the people who are familiar with cotton, who feel that we should continue release and reapportionment.

So, if you want to continue it, you will vote against this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri to the amendment offered by the gentleman from Texas [Mr. POAGE].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. UDALL].

(Mr. UDALL asked and was given permission to revise and extend his remarks.)

Mr. UDALL. Mr. Chairman, I would not try to explain this farm bill at 10 o'clock in the morning and I am surely not going to try to explain it at 5 minutes before 6 o'clock in the afternoon. And, I could not even explain the omnibus 5-page amendment that is now pending before us. But I know there is one part of this amendment which I can explain to you, and I do not like it. I believe we are going to have an opportunity to vote on the point made by the gentleman from Arizona [Mr. RHODES] on the passage of part of this amendment.

Mr. Chairman, we have feed grains under control, as was pointed out earlier, the wheat surplus is now down to where it is manageable, butter is under control, but cotton is sick. We have cotton coming out of our ears.

Mr. Chairman, I come from a large cotton producing district. What is the fair way to cut production? To take out the good producer and people who want to grow cotton? No; the fair way is to get the people out of cotton production who do not want to grow it. Evidently we have farmers who say that they do not want to use their acreage. Well, the fair way is to let them get out of the program. This gives a smaller pie to be cut up among the people who do want to grow cotton.

But, Mr. Chairman, the gentleman from Missouri has pointed out this ridiculous system where you not only take this acreage and parcel it out to other people so that they can grow more, as the gentleman from Missouri pointed out, but you can actually reapportion that acreage out and the man who receives that acreage is paid for not planting it.

Mr. Chairman, this is preposterous and ridiculous.

Mr. Chairman, if this feature stays in the amendment, I will have to vote against it. I hope I can support the bill and the amendment, because there are some good things in this large omnibus 5-page amendment, but this thing is wrong. We are growing too much cotton. We must cut down on the production of cotton. We must get the cotton market back to a place where the people who want to grow cotton can make a profit on it.

If you support the original committee bill, that is what I am asking you to do. The committee took a forward step, they got rid of this ridiculous situation.

Now we are going to go back down the hill, and write these old, wornout provisions that have ruined the cotton program, and by taking this release and reapportionment it would cost \$70 million.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we just voted this proposition down on the amendment offered by the gentleman from Missouri [Mr. JONES]. We know what is before us, I think. We have this release and reapportionment program which has operated very well and successfully, and it is vital to the cotton economy.

In California, Arizona, New Mexico, or other places, cotton land is valued at \$1,000 or more an acre. They will not release it, so they do not have any problem of release and reapportionment. We have little farms down my way where the cotton acreage is too small to justify planting. So we provide here several ways they can dispose of it.

Mr. Chairman, this amendment should be defeated because, if adopted, that is the end of the cotton bill, and everybody here should know that. The bill will not be passed with such an amendment as the Jones amendment in the bill, and I hope the pending amendment will be voted down.

The CHAIRMAN. The chair recognizes the gentleman from Georgia [Mr. STEPHENS].

(Mr. STEPHENS asked and was given permission to revise and extend his remarks.)

Mr. STEPHENS. Mr. Chairman, several years ago I was in a lawsuit that dealt with a process for cotton. I found out at that time something about cotton which I did not know then. I found out there were certain kinds of cotton whose fibers turned to the left and other cotton whose fibers turned the other way to the right. The patent attorney involved in this suit was the one who got me straightened out on these peculiarities because he had difficulty too in connection with these twists. That is what we have got in this bill—opposing twists. The only way we were able to accomplish what we wanted in the lawsuit was to reverse the spindles on the cotton machines. If we can reverse some of the spindles that have been wound up here on this bill, it might help.

The most important factor in this bill, in support of the amendment, is to keep the American textile mills operating so that the people who are in the cotton business from top to bottom can continue to have cotton.

My district and State have a deep and vital interest in every phase of the cotton industry. We have cotton mills, cotton gins, cotton warehouses, cotton growers both big and small, cottonpickers, both human and mechanical, and cottonseed meal and cottonseed oil interests.

These interests are natural when you study history. In 1791 only 391 bales of cotton were exported from the United States. In 1794 Eli Whitney's cotton gin was patented. It was invented by him on the plantation of the widow of the late Revolutionary hero, Gen. Nathaniel

Green, who had been rewarded by Georgia for his leadership by the grant of a large tract of land near Savannah.

I suppose you might say this started all the cotton problems and we have had trouble ever since.

But one thing to remember is that Whitney's brainchild was stolen. As one historian put it:

Mrs. Greene and another friend were the only ones allowed to see Whitney's first gin. They were so delighted when they witnessed how fast this little hand-turning machine could clean the seed, that they could not keep the secret. Others soon heard of it, and one night Whitney's shop was broken open, and its model machine was stolen and carried away.

We almost had that happen to the cotton textile industry in the 8 years prior to the 1964 Act abolishing the two-price cotton system when we lost heavily to foreign competitors. I support this bill and these amendments because I know, among other features, they seek to preserve the one-price cotton. I do not want the cotton textile industry stolen again.

We can prove the deteriorating effect of the two-price experiment by the facts on the mill consumption and use of cotton in America in those 8 lean years.

The United States lost its dominant role as a world supplier of cotton many years ago. Since 1934 we have never exported more raw cotton than our own American textile establishment has consumed.

In cotton-crop-year 1956-57, the first year it was possible to measure the effects of two-price cotton on domestic patterns of consumption, we find that American consumption of the upland cotton declined from 9,085,000 bales 1955-56 to a little over 7,900,000 bales, or a drop of 1,185,000 bales.

Per capita mill consumption of American cotton dropped accordingly—from 25.9 to 23.7 pounds or a total of 2 pounds. And the percentage of cotton fibers consumed by American textile mills also decreased—from 66.6 to 65.1 percent or 1½ percent.

The trend then set in motion continued for 8 long years.

Per capita mill consumption of American cotton never again returned to its 1956 level, and in 1964 it totaled 22.1 pounds per person, the lowest point since the days of the depression and a drop of almost 4 pounds per person.

The erosion of cotton fiber usage kept pace. From its 1957 level of 65.1 percent of mill fiber consumption, cotton trended downward in all but one of the next 7 years to a 1964 point of 54.5 percent—lowest in American history. A drop of 10½ percent.

Preliminary Census Bureau figures for calendar year 1964 indicate that we consumed 4.2 million pounds of cotton that year, and that is encouraging. But consider that our population was 21 million greater than in 1957. And consider, further, that this poundage is less than that consumed in the two prior calendar years of 1955 and 1956.

It is obvious that two-price cotton cut domestic consumption of American cotton.

But there are other reasons why we must recall the lessons of history and oppose any attempt to return to two-price cotton.

We all know and recognize the tremendous versatility of synthetic fibers. We know and recognize that they are aggressively promoted and readily accepted by American consumers in many of the goods they buy.

This competition of cotton versus synthetics is good for the economy. Its end result is consumer goods of greater utility and more value for the dollar.

But let us recognize also that goods fashioned out of synthetics also cost more than comparable goods made out of cotton. Stronger reliance upon synthetic fibers for the goods we buy would result, inevitably, in more consumer dollars going for the same amount of wearing apparel and household goods.

The present competition between competitively priced cotton and synthetic fibers, the price of which is being constantly forced downward by competitive cotton, is good for the American consumer and this important fact must not be forgotten.

Skeptics will say there always will be a need for cotton. This is true. Cotton's absorberency and other qualities—qualities yet unduplicated by manmade fibers—give it a certain hold upon the fiber markets of this country. But I do not think the American cotton producer can live gainfully upon a shrunken demand for his product.

It is not our intention to relegate cotton to a luxury fiber. But a two-price cotton policy can do it.

There are other reasons why we oppose any return to two-price cotton. Imports of cotton textiles have long plagued us in many ways.

They first of all weaken our balance-of-payments position. Between 1960 and 1964 we have imported more cotton textiles than we have exported in all but 1 year. This rising volume of textile imports has intensified the profits squeeze upon American textile mills.

We import cotton textiles in huge quantities from five nations in particular—Japan, Hong Kong, Portugal, India and Taiwan. For the 9-month period ended June 30, 1965, we imported 70 percent of our cotton textiles from these five nations.

Japan, the leader, pays its textile workers one-sixth as much as American textile workers receive. The textile workers of other foreign countries receive substantially less than ours as well.

Higher American productivity helps rectify the labor disadvantage, but unfairly priced raw cotton—cotton which sells abroad for substantially less than the price paid by American textile mills—wipes away in a single stroke all the offsetting gains that can accrue from our higher productivity.

U.S. imports of cotton textiles during the first nine months of the current market year rose nearly 20 percent from a year earlier, according to the Department of Commerce. Textile imports,

then, are a factor we must contend with even under one-price cotton.

But the really big gains in textile imports occurred under two-price cotton. In 1955, for example, U.S. imports of cotton textiles were the equivalent of 181,000 bales annually. By 1963 they had climbed to 634,000 equivalent bales—an almost fourfold increase. While there was a slight drop in cotton textile imports in 1964, the rate for 1965, as has been indicated, is again upward.

We can ill afford to return to a two-price system which actively fostered this increase.

But the threat two-price cotton would pose to the American cotton economy and our balance-of-payments picture would be felt in yet another way—in the exportation of American textile mills to foreign lands where raw cotton can be purchased for less.

Some American cotton producers, tiring of continued cuts in acreage and other restrictions on planting, have purchased huge acreages abroad and now raise cotton in competition with our own product. They have found Mexico and Guatemala particularly suited for this purpose.

We need keep in mind that American textile mills, faced with a return to higher priced, less-competitive, two-price cotton, might duplicate this exodus of American capital to other nations. The availability of lower priced labor in virtually all other nations of the world adds an additional inducement to such moves.

We cannot let the cotton textile industry fold up. It is too vital not only to our economy but it is an essential element in our national defense. Cotton in uniforms, duck, and other cheap but durable textiles cannot be efficiently substituted.

In conclusion, we ought to all pull together to keep a one-price cotton. If the mills do not expand and push cotton, the cotton farmer cannot sell, the Government will not lend, private enterprise will not finance, the ginner cannot operate, the warehouseman is out of storage rent, the defense of America is endangered, the American textile worker is out of a job, and the American consumer pays more for less satisfactory goods. We just cannot let all that happen.

The CHAIRMAN. The chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman, I assume you have already gathered that cotton is a somewhat controversial subject, and the opinions about it differ in various parts of the country. It may even be as controversial as civil rights.

Mr. Chairman, I am hopeful that this amendment is adopted and that no other amendments are adopted to this cotton bill, either here or in the other body.

This cotton legislation is designed to relieve the problem of the mills. This is largely a southern problem but it also could be a New England problem or a problem in New York or a problem in any other State where they have mills spinning cotton.

This bill also does something about the poor pattern of production of the

fiber itself on the farm. Over the years there have been so many devices in the law, written in to keep cotton produced on uneconomic farms and in uneconomic areas, with the result that actually our mills are short of supplies of the kind of cotton they want. I may say that that kind of cotton is California cotton to a large degree but it also comes from other States, and mill owners testify they need more California cotton.

We feel this bill will permit over a long period of time the growing of the kind of cotton that the mills need which will meet the competition of synthetics and that there will be a reduction in the kind of cotton that is grown solely for the Government loan.

I would remind you that in some of the Southern States over 85 percent of the cotton is grown only to sell to the Government. This amendment that the gentleman from Texas [Mr. POAGE] has offered does not satisfy us entirely in California as it does not satisfy the gentleman from Arizona [Mr. UDALL]. However, it represents a compromise method of getting an acceptable provision in this bill which affords a chance of passing this whole farm bill.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Chairman, I rise in support of the Poage amendment to the cotton section of the bill and in opposition to any motion that might lead to the defeat of that portion of the Poage amendment designed to retain the existing law with respect to release and reapportionment of cotton.

As has already been said, title IV of this bill virtually destroys the "plant, release, or lose your cotton allotment" principle which was established in 1959 by Public Law 86-172. Since 1959, this principle has been in effect in the mechanics of cotton acreage utilization. I cannot understand why the committee included a provision limiting the release and reapportionment of cotton to within a county. Such a limitation upon a well established 6-year program would result in a grave injustice to countless cotton farmers all over the country who have come to rely on such released cotton as a major source of their livelihood.

I am informed that some 468 cotton growing counties out of a total of 1,040 have had sufficient cotton acreage released for reapportionment to send unwanted released cotton acreage to State ASCS committees for reallocation in other counties. I am also told that 408 other counties have received such released acreage from State committees for planting on farms in them to supplement the acreage internally released. This would indicate that at least 876 counties have benefited by this release and reapportionment program. The other 164 counties with very little acreage to move under this program are located principally in Western States. I wonder if it is coincidental that some of the opponents of release and reapportionment come from those States.

I must confess that my enthusiasm for the Poage amendment is limited, because it does not return to my cotton

farmer enough of what the reported bill takes away from them. Open end planting and the privilege of the Secretary of Agriculture to buy up cotton acreage and retire it permanently is still permissible.

While I am particularly anxious to see an extension of one-price cotton for our textile industry in this country, I find myself in somewhat the position of the gentleman from Texas [Mr. MAHON] and others who feel that this bill needs to be improved in many respects before it is passed by the Congress. It is regrettable that an amendment of this kind deals with so many important items. Of course, I try to be a realist. If the Poage amendment is severed in many places, the most desirable portions of it could be voted down.

Since my time is so limited, let me get back to the first part of the Poage amendment which is opposed by the gentleman from Missouri [Mr. JONES] and the gentlemen from Arizona [Mr. RHODES and Mr. UDALL], the amendment which would permit the transfer of released acreage across county lines within the State as is permitted under present law.

I think we should understand that this has been a voluntary program upon which cotton planting farmers have come to rely. Does not cotton acreage involved really belong to the State? It is certainly an agricultural asset of each State. For example, so much cotton is allocated to the farm of Joe Doe. If Joe Doe is not interested in cotton and does not want to plant cotton, but is willing to make his allotment available to some other farmer who does want to grow cotton, he should be permitted to do so. This results in the use of a basic asset of a State which is protected by the basic principles of the Agriculture Act of 1938. This was doubtless the thinking of the Congress when it adopted the release and reallocation principle in 1959.

The importance of the right to reallocate cotton acreage is clearly shown by a USDA-ASCS summary of released and reapportioned allotment acreage for the years 1961-64. I think every Member has received a copy of that summary. Let me cite the figures relating to my own State of North Carolina for the years 1963 and 1964. In 1963, the total cotton acres released was 104,130; the total acres reapportioned was 99,594. In 1964, 106,758 acres were released and 104,185 acres were reapportioned.

I always hesitate to emphasize the impact of a piece of legislation upon my own congressional district. It is frequently misunderstood. However, I know of no better way to illustrate the importance of the existing cotton release and reapportionment program than to describe what would happen if H.R. 9811 were to pass this Congress in the form in which it was reported to this House and without the Poage and other needed amendments. There are nine counties in my congressional district. All of them are rural counties in northeastern North Carolina. Those of you who travel U.S. 301, Interstate 95 or 85 travel through a number of these counties. Cotton is grown in all 9 counties and has always been so far as I know. Several counties

grow much more than the others. Under the 1959 law, six of the nine counties received released cotton acreage from the State committee.

If paragraph 2 beginning at line 24 on page 14 through line 5 on page 15 is not stricken, thousands of acres of cotton heretofore received from the State committee of North Carolina will be lost to the cotton farmers of my particular district. Two counties in my district, Halifax and Northhampton, grow more cotton than all of the other counties combined.

In 1964, in addition to acreage released within Halifax County, cotton farmers in Halifax received 7,643 acres from the State committee. The total cotton acreage planted in Halifax was 31,360.

During the same year, 1964, in addition to the 330 acres released within Northhampton County 10,955 acres were received from the State committee. A total 33,377 acres were planted in the county during the same year.

This Congress has adopted a number of new programs and appropriated substantial sums of money on behalf of low-income people in this country. In the two counties to which I have just referred, a majority of the residents are Negroes. Many of them live on cotton farms. Their only source of livelihood is farming.

The median family income in both of these counties is less than \$3,000. In Halifax it is \$2,797. In Northhampton it is \$2,255. In fact, if the last census figures are right, only three counties of the nine I represent have a median family income in excess of \$3,000 and the highest of those three is \$3,248.

To destroy the existing release and reapportionment program by restricting it to within a county would therefore deprive many cotton farmers in the counties to which I have referred, especially Halifax and Northhampton Counties, of a substantial portion of their already low family income. These farmers, both white and Negro, since 1959, have oriented themselves through capital investment, landlord-tenant arrangements, land preparation, and so forth, to receive a substantial amount of cotton acreage from the State committee. Even though it is a voluntary program, they have become dependent upon it. Any substantial change in it would work to their detriment.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent (at the request of Mr. WHITENER), the time allotted to Mr. WHITENER was granted to Mr. FOUNTAIN.)

Mr. FOUNTAIN. Mr. Chairman, I thank my colleague, the gentleman from North Carolina, for yielding his time to me.

Mr. Chairman, I hold in my hand an editorial entitled "Cotton Belt" written by Mr. Eugene Butler for the September issue of the Progressive Farmer. It takes a strong position against portions of this bill, especially the portions which if not changed would just about destroy release and reapportionment.

He points out that this particular pro-

gram is bringing about \$275 million more cotton money into the South each year. It has given thousands of growers enough acreage to make cotton profitable. We need this money and we prefer to work for it.

Before concluding, I want to add my few words of support to the provisions of this bill which extend one price cotton. I supported that program when it was first adopted. I support it now. It is simple justice that one of the major industries in this country, the textile industry no longer have to pay a higher price for the cotton they buy than is paid by their foreign competitors for the same cotton. I want to join my distinguished colleague from North Carolina, Mr. JONAS, in the remarks he made earlier today in support of this portion of the bill. It is also helpful to our cotton farmers. Like Mr. JONAS and others who support the one price cotton provision, however, I want to see other provisions of this bill so improved that the Congress can pass it with confidence that it is the best bill we could agree on.

(Mr. FOUNTAIN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BROYHILL].

(Mr. BROYHILL of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. BROYHILL of North Carolina. Mr. Chairman, I want to make it clear that I strongly support the principle of one-price cotton. Last year in the 88th Congress we fought this battle and won a great victory for this principle. Should this principle be defeated or altered in the 89th Congress, it will obviously mean grave economic problems for those communities which are dependent upon the textile industry. If the industry is forced back upon a two-price cotton system, the first effect will be that the raw material costs of the mills will increase by approximately one-third. This tremendous cost increase would greatly hinder or slow down sales expansion, plant expansion, future wage increases, and increased employment. Also these increased costs will have direct upward effect on prices of finished goods.

There are parts of the cotton section of the bill which disturb me. One in particular is the release and reapportionment section. I strongly urge the support of my colleagues for the amendment to this part which has been offered by the gentleman from Texas [Mr. POAGE.] This amendment will retain the acreage allotment release program. That program works like this: If a cotton farmer does not wish to farm his cotton acres, he turns his allotment in to the county committee. The county committee, if it cannot find a person within the county to take over the allotment, the allotment is turned over to the State committee for reassignment to a cotton farmer in another part of the State who has the land, equipment, facilities and wherewithal to produce cotton. This program has worked well. I do hope that we can correct the portions of the bill which do great harm to

this program. This amendment will do that.

The point that all concerned must remember is, that it is imperative that we retain a one-price cotton system. Otherwise, the cotton farmer will lose his best customer, consumption of cotton will decline, consumption of synthetics will increase. All this will be at the expense of the cotton farmer, textile worker, and the communities involved.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. LENNON].

Mr. LENNON. Mr. Chairman, I rise in support of the amendment to title IV, the cotton section, offered by the distinguished gentleman from Texas [Mr. POAGE].

I believe it would be well for us to comment on the statement made by the distinguished gentleman from Arizona [Mr. UDALL]. I am sure the gentleman did not intend to convey the impression that when cotton was released by a grower for reapportionment, that grower receives compensation from the Government. That is not true, and I would not have anyone so believe.

Much like my good friend, the gentleman from North Carolina [Mr. FOUNTAIN], I am not entirely satisfied by the amendment offered by the gentleman from Texas, but the release and reapportionment across county lines is essential to the cotton industry in southeastern States.

It has been a fair and equitable program since 1959. I was a little surprised that it was wiped out in the original bill.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. LENNON. I yield to the gentleman from Louisiana.

Mr. WILLIS. I completely agree with the gentleman that crossing county lines is essential.

Mr. LENNON. It is essential.

I agree also with my distinguished friend from Georgia [Mr. LANDRUM], who said that this legislation is essential to the textile industry of America. This is one of the largest industries in America. If the textile industry moved to manmade fibers, as they were doing prior to April of a year ago, when we passed the one-price cotton bill, then the time would come when the cotton-growers of California, Arizona, New Mexico, Mississippi, Alabama, North Carolina, and all the other States would not have any market in this country for their cotton.

The cotton consumption increased 1 million bales last year in the domestic market. Why? Because of the one-price cotton bill. Unfortunately, on the other side of the coin, cotton exports declined by almost 1 million bales. But that was not the fault of the Congress. That was the fault of the Secretary in pegging the price at a little bit above the world price, which caused us to lose approximately 1 million bales of sales.

(Mr. LENNON asked and was given permission to revise and extend his remarks.)

Mr. KEITH. Mr. Chairman, I think that one of the great shortcomings of

this omnibus farm bill is that it does not contain in an explicit provision the intentions expressed by the Agriculture Committee in the dairy section of its report.

In that section the committee clearly expressed its intention that small milk producers who sell their own products on the retail market should not be subject to the regulations of Federal market orders. Quoting from page 14 of the report, Mr. Chairman, the committee said:

Traditionally all Federal orders have exempted producer-handlers from such requirements and have limited regulation to those requirements designed to guarantee that, as sellers of fluid class I milk, producer-handlers use their own production as a source of supply without substantial use of the production of other dairymen.

The committee wishes to make it clear that it approves of the practice of keeping the producer-handlers' avenue of marketing open to dairy farmers without unduly burdensome restrictions and that this legislation shall not be deemed to be a justification for producer-handler inclusion in the pooling requirements of any Federal order. This is the purpose of section 104 of the bill.

Mr. Chairman, it seems to me that the simplest and most logical way to carry out the intentions of the committee would be to adopt the amendment offered by the gentleman from New York [Mr. O'BRIEN] which would put this language expressly in the bill. Clear and unmistakable safeguards are necessary to protect the livelihood of our small producer-handlers who from time to time have been penalized under Federal marketing orders.

In this connection, I would like to bring to the attention of the House a telegram sent to me today by the Commissioner of Agriculture in Massachusetts, Mr. Charles N. McNamara. This message very succinctly points out the need to adopt the O'Brien amendment to this omnibus farm bill. Mr. McNamara believes that this amendment would be helpful both to the small farmer and to the consumer.

Commissioner McNamara has been a farmer for many years and is highly regarded by all of those in Massachusetts who are interested in agriculture. I want to bring the substance of his message to the House and I hope that it will be helpful in the deliberation on this bill.

Mr. CLEVELAND. Mr. Chairman, I take this time to announce my opposition to the omnibus farm bill, H.R. 9811, and to explain my reasons for voting against it. While I am pleased to note that the administration and the majority party have decided to abandon their original plans to increase the bread tax by two-thirds, the bill still would continue the existing bread tax of 75 cents a bushel of wheat. I voted against this in the last Congress and shall do so again.

Furthermore, the alternative now proposed by the administration to have the Federal Treasury pay for increasing income to the wheat growers instead of the consumer, is, in my opinion, little better. Because most taxpayers are also consumers of bread, there does not seem to be much real difference between the two plans, except that payments from the Treasury are not so obvious a tax as a

further increase in the price of bread would be. Essentially the same people will have to pay the same total but the new proposal would disguise the tax by having the money come from the Treasury rather than from the consumer who buys bread.

BILL WOULD CONTINUE DISPROVED FARM PROGRAM

This bill would continue and, I believe, worsen the problems of American agriculture. It would continue Federal programs that have been proven failures, that regiment the farmer and that have bestowed their benefits mostly on the big farmer rather than the small family farmer to whom the administration pays lip service.

It is interesting to recall that, 2 years ago, the Nation's wheat farmers, in a special referendum conducted by the Government, overwhelmingly voted down increased governmental controls over farm operations. In spite of this massive expression of preference by the farmers themselves, the administration, supported by the majority in Congress enacted the wheat program we now have and which would be continued by the present bill. To be sure, this program is not compulsory, as was the program submitted to referendum, but it might as well be because the economic penalties against those farmers who elect not to participate are severe and cannot well be borne by the small farmers.

APPLAUD GOAL OF DECENT INCOME FOR SMALL FARMERS

I applaud the objective of endeavoring to provide a decent income for small farmers. Not only is this a humanitarian goal but it is one that is important to maintain the purchasing power of this important segment of our economy. A depression in farm income traditionally has presaged a general depression in this country and it is important to maintain the farmer's purchasing power. Although the number of farmers is much smaller than it used to be, farmers still represent major economic power and it is in the national interest to see that they are fairly rewarded for their labor.

Federal farm programs, however, have failed to accomplish this goal in spite of the annual flood of billions of dollars poured into them. The fact is that the major part of the Federal money spent on agriculture goes not to the small farmers but to the big operators. This is not an invention of mine but is general knowledge and was stated precisely earlier this year by no less a personage than Mr. Kermit Gordon, then the Director of the Bureau of the Budget, who wrote in an article in the Saturday Review:

About 80 percent of our assistance goes to the 1 million farmers whose average income exceeds \$9,500. Most are successful business firms."

To me, this is reprehensible.

ANOTHER EXAMPLE OF LEGISLATION BY LUMP AND LABEL

In addition to the wheat sections, other sections of this hodge-podge bill would extend Federal price props and output controls for cotton, feed-grains and wool. Although I support in principle one price

for cotton, I am compelled to vote against a solution which is, in effect, a triple subsidy and which is, furthermore, wrapped up with an objectionable wheat program. Once again, cotton legislation comes before us embedded in a generally objectionable, omnibus bill which is another example of legislation by lump and by label where several major programs are tied into a single bill and one must take all or nothing. I have objected strenuously to this way of legislating in the past and I object to it now. Lump legislation has been an unfortunate characteristic of this Congress.

NATIONWIDE MILK ORDER OPPOSED

Another objection to the bill is its proposal that would attempt to regulate dairy production by providing for class I base quotas. This, I believe, would eventually do great damage to the dairy industry in the Northeast. Such quotas, which would be transferable, would assume a value which would add greatly to the cost of farming. In addition to buying an extra cow or two to increase his production, a dairy farmer would have to buy a quota and this might cost as much or more than the cow.

The Northeast is growing in population and the area's use of milk is also increasing. Under normal conditions of free enterprise, production tends not only to keep up with demand but to anticipate it. A quota system would slow expansion to the point where production would be trailing demand, a situation which would encourage a flow of milk from outside the region. The dairy industry, in common with other segments of agriculture, requires a bigger and bigger investment for an economic operation that will support the owner and his family according to current standards of living. Anything that would increase the amount of capital required to buy and operate a dairy farm will make it increasingly difficult for young men to enter the dairy business.

EGG MARKETING ORDER PLAN OPPOSED

These are my principal reasons for opposing the bill. In addition, I understand that efforts may be made to amend the bill by adding a section establishing a national marketing order for table eggs—the Resnick proposal. Whether this amendment is offered or not, I wish to take this opportunity to state my opposition to it. Poultrymen in my part of the country do not want the Government to decree how many laying hens they can have.

One's general reaction to this bill amount to disappointment and frustration amounting almost to despair. Once again, a major opportunity to be truly constructive and creative has been lost by those in power. Once again, legislation is proposed that will continue the farm mess, increasing controls, and adding expense to the taxpayer. It seems tragic indeed that we, who have the genius to circle Mars and astonish the world with scientific achievements, cannot solve the problems of farm surpluses although half the world is living in near-starvation.

ESPECIALLY BAD FOR NEW ENGLAND

It is inconceivable to me that a New England Member of Congress, regardless

of party, who professes an interest in New England's agricultural economy, could consider for a moment supporting dairy provisions, feed-grain provisions or wheat provisions of this bill. Each provision is detrimental and against the interests of the New England dairyman, poultryman, and livestock producer. Each provision is also detrimental and against the interests of every consumer in every city and rural area of our six-State area. On August 13—CONGRESSIONAL RECORD, page 19676—Vermont's distinguished Senator AIKEN stated and I quote:

It is my opinion that, if the House proposal for dairying pass as now written, most of the family dairying in the United States will vanish within the next 5 to 10 years.

I believe this is true and I urge the defeat of this bill.

Mrs. DWYER. Mr. Chairman, this bill—and the administration's farm program which it would revise and perpetuate—is so full of holes, contradictions, inconsistencies, and nonsequiturs, compounded with an atmosphere of general unreality, that I can hardly bring myself to consider it seriously.

This is the fifth year administration farm programs have either been in effect or under consideration in Congress, so we have had every opportunity to judge them by their fruits. The fruits have been distinctly low grade, not only for farmers themselves but for consumer and taxpayers as well. Yet, the administration and the majority of the committee can do no better, apparently, than to ask us to perpetuate failure.

The administration's about-face on the bread tax issue seems to typify its approach to farm policy as a whole—less an effort to develop a consistent, harmonious program for all of agriculture than a frantic attempt to put together a bill composed of disparate and divergent parts, on a commodity-by-commodity basis, that would not alienate too many voters. When the effort fails, as in the wheat program, and voters begin reacting too vigorously, they simply change signals and conveniently forget the arguments and justifications so vigorously advanced for their earlier position.

It makes one wonder—even more than usual—about the rest of the bill.

Two years ago, the administration first imposed the bread tax as a means of increasing the income of wheat farmers. This was a direct payment of 75 cents a bushel by the users of wheat—the millers, processors, and manufacturers of bread, cereals, flour, and bakery products—over and above the regular price of wheat. The administration adopted this scheme in place of other alternatives even though it was apparent that it would mean an increase to consumers in the price they paid for these basic food products. Predictably, prices did go up, and predictably, too, those who could least afford it were the hardest hit.

The administration, apparently, did not learn from this experience, for this year they proposed to require an additional 50-cents-a-bushel charge for wheat—meaning, of course, another in-

crease in the price of bread and other products to consumers. The administration conceded such an increase would result but they estimated it would be approximately 1 cent per loaf of bread, which amounts to roughly 5 percent, while others figured it would be closer to 2 cents, or about a 10-percent increase.

This time, however, the public outcry was loud and clear. On top of rising food prices generally, an unnecessary increase in the price of foods like bread—on which the poor especially depend—would be completely unjustified. Yet, the President, the Secretary of Agriculture, and other officials defended their bread tax right up to the moment the House began debating the farm bill. Then they capitulated. In complete contradiction to their previous position, they now propose to finance the higher payments to wheat farmers from the general Treasury—from taxes, that is—rather than in the form of higher consumer prices.

In a sense, I suppose, this is a victory for those of us who so strongly opposed the bread tax. But in a larger sense, it is an indication of what is wrong with the whole farm program. It simply will not work the way administration theorists thought it would. Retreating on the bread tax issue may save the administration enough votes to pass the farm bill, but it does nothing to improve the farm program as a whole.

Year after year, the Government's subsidy of food production goes up. This year it is expected to reach \$2½ billion. At the same time, however, retail and wholesale food prices are rising—4 percent above last year, 8 percent above the level 5 years ago. A major purpose of the Government's price support program is to hold down surpluses. Yet, the Agriculture Department's latest figures reveal that production of corn and wheat—two of the biggest price-supported commodities—will be up substantially this year over last year, adding more millions to the cost of transportation and storage. And what of the farmers who are supposed to benefit from all these subsidies and price supports and special payments? The number of individual farms and farmers continues to decline. Nevertheless, last year's net farm income was no higher than it was in 1958.

Obviously, something is wrong. Obviously, the farm program is not reaching its declared objectives. Our only recourse, I believe, is to send this farm bill back to committee and tell the committee and the administration to start again at the beginning and come up with a farm program that makes sense—to consumers, to taxpayers, and to farmers.

Mr. ANDERSON of Tennessee. Mr. Chairman, I rise in strong overall support of H.R. 9811, the Food and Agricultural Act of 1965.

The amount of opposition to this bill is of great concern to me. It is very apparent that the family farmer has fewer and fewer friends. This trend must be reversed or we are headed for real trouble.

The most shocking thing is the way the American Farm Bureau Federation has joined certain big city interests and

the bread trust to try to kill this bill. This is the most unholy alliance I have ever witnessed. The Farm Bureau claims to represent the interests of the farmer. I ask, what type of representation is it when the Farm Bureau joins hands with big business and big cities to undercut the farmer?

The divisory forces at work in this country are also of great concern to me.

We witnessed division in Los Angeles.

We witness it also on a daily basis as urban and rural interests express their divergent problems and goals.

It is high time for us all to recognize that we pursue our destinies riding the same boat, that we are all mutually responsible for the success of this country and therefore each mutually responsible for the success and well-being of all.

The city dweller must bear in mind his dependence on the success of the farmer.

The farmer supplies him with the best food available in the world for a smaller portion of his family income. In Russia it costs about \$3 to buy a 2-pound chicken and you would have to work more than 5 hours to earn that amount. Here in the United States, the chicken would cost about 80 cents and most people would have to work only one-half hour to earn that amount—one-tenth of the time in Russia.

It is usual for people in many areas of the world to spend half their income for food—for example: Italy, 46 percent; Ceylon, 57 percent; Nigeria, 71 percent. In the United States food costs now—1965—take just 18.5 percent of take-home pay for the average consumer, and the trend is generally downward, for in 1955 the cost was 21.6 percent of disposable income.

The farmer is not only a great supplier, he is also a great customer and consumer. Agriculture uses more steel in a year than is used in a year's output of passenger cars. It uses more rubber each year than is required to produce tires for 6 million automobiles.

Agriculture is the principal source of new wealth for this Nation. It is the main provider of basic raw materials which support our economy. About 65 percent of the basic raw materials used in industry come from the farm. Agriculture is also a major dollar earner in world markets and is playing an increasingly important role in solving our balance-of-payments problems.

I believe our urban people should also look on our farmers and rural area people as custodians and conservationists of the great lands of America—lands future generations of an expanding populace must call upon increasingly, for food production to feed much of the world, and for recreational escape from overcrowded cities.

Indeed the interests of urban and rural people are one.

Let us not forget that we did not achieve our dramatic success in food production by chance. It required remarkable foresight and a gigantic investment, all centered around the family farm operation. If we throw this away by destroying the family farmer the results will be disastrous to our economy, our prestige, and our security.

Because of the cost-price squeeze faced by our family farmers we face a grave emergency. The tragic fact is that total farm personal income declined almost 11 percent from 1953 to 1964 while non-farm income rose nearly 48 percent. Even on a per capita basis, in 1964, farm personal income was only \$1,494, compared to \$2,595 for nonfarm personal income. In 1963, 43 percent of all farm families lived in poverty, compared with only 17 percent of nonfarm families.

Again, this is tragic, especially when we consider the American farmer has produced the most dramatic success story of this century. The Communist nations can compete with us militarily, industrially, and in space, but they have not a prayer of competing with American agriculture. I consider our farmers to be the true heroes of our economy and they deserve a far better break.

The farm bill before us is not perfect, but I can assure you no effort has been spared by Secretary of Agriculture Orville Freeman to bring forward and gain support for programs which benefit the farmer. This bill will be a step forward and I hope all of my colleagues will so recognize it whether they represent urban or rural districts.

The family farmer needs help and one badly needed category of assistance is in the form of a better public relations effort in his behalf. The great success story of American agricultural production deserves to be heard not only by every American but by people abroad as well.

There are widespread misconceptions about the costs of the farm program. One significant statistic is this: Measured in ratio to gross national product, agricultural outlays in the budget actually fell from 1.0 percent in fiscal 1963 to 0.7 percent in fiscal 1965—a decline of 30 percent.

And within the framework of total agricultural budget outlays, a very high percentage goes into food inspection and other consumer services, to the food stamp program, and food for peace—outlays we should not charge against the farm program itself, but which are properly charged elsewhere.

The faulty analysis of the costs of the farm program is only part of the story. Equally faulty is the old, old complaint that the farmer is being heavily subsidized by taxpayer and consumer. As Leon Keyserling put it:

With American consumers enabled over the years to get a better and better diet with smaller and smaller portions of their total expenditures being devoted to the purchase of food, with farm productivity rising so much faster than productivity elsewhere, with farm incomes moving inexorably downward while other incomes are moving upward, with poverty so much more heavily concentrated among farm people than among the nonfarm population, and with per capita farm income being more than 40-percent short of per capita income of the non-farm population, it is clear beyond question, that those who provide our foods and fibers are really subsidizing others, rather than being subsidized by them.

We need to correct our national thinking and bookkeeping and during the course of the next few months I plan to

make proposals in that regard to the Secretary of Agriculture.

Mr. Chairman, in conclusion I would like to submit for the RECORD a very excellent interview on the many blessings of the family system of farming, conducted some months ago by Mr. Hal Herd, farm editor, of the Nashville Tennessean:

SHOULD A MAN HAVE A LICENSE TO FARM?

Mr. HERSCHEL LIGON. I commanded a company for 18 months until World War II was over. I made up my mind then that I was coming home and farm.

Mr. HAL HERD. Why would anyone want to live on a farm in view of the industrialized economy of the 1960's?

Mr. LIGON. There are about four reasons. In the first place, I like to farm. I have seen too many people working at jobs they don't enjoy. If a person doesn't like what he is doing, he is no good to himself or whoever he is working for.

Before the war, my father had plenty of farm labor but high salaries in defense jobs soon attracted them. My father needed me to help him operate the farm but he said, "No, son, you go ahead and do your part and I'll get by somehow."

He took care of three farms and his bed-ridden uncle for the 4 years I was in the war. So I figured the least thing I could do would be to come back here and be with him. Even though I could be retired as a full colonel from the Army now, I'm still proud that I came back and spent my time with him.

Another reason is there is no better place in the world to raise your kids than on a farm.

Last of all, I made up my mind a long time ago that when farmers don't get what they are entitled to, that I was going to do all I could to fight for the farmer's cause. I spent 4 years fighting for my country and I'm going to spend the rest of my life fighting for the farmers.

Mr. ROY VANTREASE. The basic problem with the farmer today is we don't get enough money for our products. We go to the marketplace and say, "What will you give me for it?" No other segment in the Nation does that. But it is the only thing a farmer can do.

Mr. G. E. HORN. Listen, a young man today could invest the money it would cost him to get into farming at 5-percent interest and make more profit than he would worrying with a big farm operation. Farming is getting to be such a big business and requires such a heavy investment that not many people can afford to operate one.

Mr. VANTREASE. Basically, I don't think the real farmer has produced a surplus of commodities. People, like doctors, lawyers, and other professional men have gone out in the country and started farming on the side, formed little corporations, and they are the ones who have overproduced. And the full-time farmers have suffered from it.

Mr. HERD. If you need to borrow money to operate your farm, isn't there plenty available?

Mr. VANTREASE. Sure, there is plenty of capital available but many small farmers are not eligible for loans because they do not have the collateral.

Mr. HERD. I take it, the big problem for the farmers is increasing costs and reduced net profits. In face of this cost-price squeeze, how are you going to make a living?

Mr. VANTREASE. I couldn't make a living farming if I didn't have a grade A dairy. Milk prices have been reasonably stable and there is a little profit margin in grade A milk production.

But frankly, I don't see how the farmers producing milk for manufacturing purposes at a lower price can afford to milk cows. Of

course, I realize there are so many little farmers with kids in school and they have to have some income from something.

Mr. HORN. You can't practice medicine or law without a license yet a doctor or lawyer can go into farming and compete with farmers. And they have plenty of money to back them up. Many of them have joined the Farm Bureau.

We now have a Farm Bureau in Tennessee that's a good insurance organization. Other than that, I don't know whether it is worth anything or not.

Mr. HERD. It has been said for years that farmers could never get anything as a group because they would never stick together. Do you think that in the near future there will be so few farmers that they will have to stick together and agree on some programs?

Mr. HORN. When farming gets to be a big business, and it is almost at that point now, farmers are going to unite. They will decide what they must have for their products to make a decent living and there won't be any trouble to get agreements. But as long as we have small farms, they will not unite. When big operators take over, they will get together and have the legislation passed that will help farming.

Mr. HERD. We have four major farm organizations: Farm Bureau, the National Grange, Farmers Union, and the National Farmers Organization (NFO). I don't think they agree on any program, do they?

Mr. VANTREASE. Basically they all fight each other. The Farmers Union and the NFO agree on some things.

Mr. HERD. What is the answer to increasing farm income?

Mr. LIGON. Eliminate his unfair competition. Get rid of those people who can afford to lose a lot of money farming because they make so much in other occupations. I can't compete with that type farmer.

I know a rich, part-time farmer. He showed me his income tax return for the last quarter and I saw how much money he paid by the Government. But he said, "I'm not going to pay the Government that much money any more. I'm going to buy high-priced livestock and sell them for a much lower price." And that's what he did.

Mr. HERD. The basic problem is that farmers have had increases in the cost of labor, machinery, taxes, etc. but the price of the products he has to sell has not increased.

Mr. VANTREASE. I can take a cow to market which I think should bring 18 cents a pound but the highest price I am offered may be considerably lower. I have to take the offer because I just can't continue to keep her and feed her if she isn't making me a profit producing milk.

Mr. LIGON. Here is a good example of cost increases: I paid \$1,165 for a tractor in 1945 which today would cost more than \$3,000.

Mr. VANTREASE. I bought a tractor the year that Old Hickory Dam was built which cost \$2,700. Today the same size tractor would cost more than \$5,000.

Mr. HERD. Do you think a farm organization is the answer?

Mr. LIGON. No, because members have other interests. You have to have a family farm organization with one common interest—farming.

Mr. HORN. If you got the chicken producers together today you would have an organization of feed people because they control most of the poultry production. It's the same way with the hog producers.

Mr. LIGON. Hogs are produced by feed companies today. I used to have hundreds of little customers who raised their own hogs. Today, all those hogs are raised by feed companies or people with other interests than just hogs.

Mr. VANTREASE. When we sold beef at the highest farm prices, retail prices were lower than they are today. The middleman, the

retailer, is responsible for the increase while we are getting less.

Mr. LIGON. The Federal farm program doesn't help me because I don't produce sufficient volume. It is helping the man who doesn't really need it. But who is paying for it? The average taxpayer. It's costing \$8 million a year for the farm program that isn't helping me a bit.

It could help small farmers if they were the only ones eligible to participate. I would favor a farm program which would give assistance to only those making at least 75 percent of their income from agriculture.

Give that group a license to participate but let everyone else who wants to farm do it on their own without Government assistance.

Mr. HERD. You suggest that only licensed farmers should benefit from the Federal farm program?

Mr. LIGON. That's right. All you would be doing would be eliminating those who are not deriving their incomes from farming from receiving payments from the Government.

Mr. HORN. When I was teaching school, I bought three farms. This was during World War II when farm prices were high. With the two sources of income, I was able to pay for these farms in a short time. It would be next to impossible today to pay for a farm without considerable outside income.

Mr. VANTREASE. I could give my son 200 acres today, and he would go broke before he stuck the first plow in the ground.

Mr. HORN. You could give your boy 200 acres and he would have trouble borrowing enough money to buy the machinery with which to operate it.

Mr. HERD. What are the possibilities of improving farm income through cooperative marketing?

Mr. HORN. Well, we're having more success all the time with cooperative feeder calf and feeder pig sales. But still these are auction sales and the farmer has to take what the buyers will pay.

Yet, they get more than they do from country buyers who drive by farms and make an offer. Most times the farmer doesn't know what the market price is and sells them too cheap.

Mr. LIGON. You have to have enough buyers at these cooperative sales to keep the price competitive.

I'll be the last farmer in this family because I can't conscientiously encourage my boys to farm although they would love to do it and already have the experience and knowledge to be good farmers.

The Government has to help farmers because this stabilizes the Nation's economy. But now, the Government is helping everyone but the ones it should assist.

I know four men who had some surplus money so they went into the hog business. I don't know how many hogs they are producing but it is a large number. All four make their main income from something else.

I spent 3 weeks last fall showing hogs at Memphis, Alabama, and Arkansas. I was the only Poland China exhibitor who makes his entire living from farming. All the others get their income from other sources.

Mr. HANSEN of Iowa. Mr. Chairman, the omnibus farm bill, H.R. 9811, which we discussed today is, in my judgment, a well developed, balanced piece of legislation. It is based on the experience of the past. While not perfect, it strikes me as a measure that reflects a continuance of the evolutionary process of improvement that has characterized farm legislation since the advent of the Kennedy-Johnson administration. The increased popularity, particularly of the

feed grain section, as evidenced by the heavy sign-up in the great feed grain producing State of Iowa clearly attests to its acceptability.

I call attention to the marked reduction in the burdensome storage costs that developed prior to 1960. This is another very potent point indicating the very real effectiveness of this phase of the program.

In my judgment, the committee has given us a well considered bill that has a most practical set of proposals and stipulations which tend to improve and carry forward in the whole program the fine features of the feed grain section.

We will harm the welfare of our Nation if we fail to pass intact the bill presented to this body by the Agriculture Committee.

Mr. RHODES of Arizona. Mr. Chairman, I rise in opposition to H.R. 9811, the administration's omnibus farm bill.

The programs that are proposed and extended by this bill are estimated to cost the American taxpayer between \$18 to \$19 billion during the next 4 years. But even with this tremendous outlay of money, there is no indication that these programs will be any more successful than those which have failed so completely in the past. For example, Secretary Freeman spent about \$2 billion more last year to bring about an increase in farm income of only \$900 million over the level of 1960. In 1964 the American farmers had to depend on Government payments for nearly one-fifth of their realized net income.

Although the administration now is doing its best to disguise and hide the increase in the odious bread tax, the fact remains that H.R. 9811 will raise the subsidy on wheat 50 to 57 cents a bushel. Due to a last-minute switch this increase will not be paid directly by every person who purchases a loaf of bread, for now the additional subsidy will come out of general tax revenues. However, every taxpayer will share the burden of this increase in the subsidy, and consumers will continue to pay the present 75-cent bread tax. Thus, even though the manner of funding this increase has been changed, the cost will be the same, the taxpayer must bear this added cost, and the present bread tax system will go on for another 4 years.

Mr. Chairman, I insert the Republican policy committee statement on H.R. 9811 in the RECORD at this point:

REPUBLICAN POLICY COMMITTEE STATEMENT ON H.R. 9811, FOOD AND AGRICULTURE ACT OF 1965

The Republican policy committee is opposed to H.R. 9811, the omnibus farm bill. Certain provisions may have merit, but this bill in its present form will not move toward the sound solution of the problems of American agriculture.

We particularly oppose the omnibus approach in this bill, an approach which has characterized so many of the administration bills this year. However, we commend the Republican members of the House Committee on Agriculture for their efforts to improve this legislation.

H.R. 9811, as drafted, calls for the extension of existing programs, which have failed, and the establishment of new programs that will result in the expenditure of billions of dollars over the next 4 years. These enor-

mous costs are not warranted by past results or by the results that can be expected under this bill.

The record is clear that the administration's farm program is not meeting the needs of farmers, consumers, or taxpayers.

Ten years ago the farmer received 42 cents from each consumer food dollar. Today he receives only 37 cents, less than in the depression days of 1935.

Farm debt stands at an alltime record of over \$36 billion. The parity ratio has dropped to 75 in 1964, the lowest level in 30 years, despite repeated promises by the administration of full parity income for farmers.

Retail food prices have increased 29 percent in the last 16 years, while the net income of agriculture has gone down 29 percent.

One of the most serious failings of this bill is the fact that it continues to provide the Secretary of Agriculture with the authority to depress farm market prices. No Secretary should have this power.

Even though the cost-price squeeze has forced more and more farmers off the land, the cost of running the Department of Agriculture has not gone down. In 1933 there was 1 USDA employee for every 203 farms. In 1961 the ratio was 1 to 37, and today there is 1 USDA employee for every 32 farms.

In spite of substantial increases in Government payments to farmers (estimated at \$2.4 billion in 1965), net farm income has not been materially improved. Government investment in surplus farm crops still stands at nearly \$7 billion.

Clearly the administration farm program has failed when, despite the staggering Federal payments and the severity of Federal controls, farm income has failed to improve, the cost to the consumer has increased, and the surplus problem has not been met.

Clearly, H.R. 9811 only perpetuates this unfortunate record. It will made more difficult constructive efforts to establish a sound and workable farm program that serves the best interests of farmers, consumers, and taxpayers.

The CHAIRMAN. The question occurs on the amendment offered by the gentleman from Texas [Mr. POAGE].

Mr. RHODES of Arizona. Mr. Chairman, I ask for a separate vote on the first three lines of the amendment.

The CHAIRMAN. The Clerk will report the first part of the amendment referred to by the gentleman from Arizona.

The Clerk read as follows:

On page 14, beginning at line 24, strike all of paragraph 2 and renumber paragraphs 3 and 4 as paragraphs 2 and 3 respectively.

The CHAIRMAN. The question occurs on that part of the amendment just read by the Clerk.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Have we not just voted on a separate amendment, the Jones of Missouri amendment, which had the same purpose? Mr. JONES, the author of the amendment, stated it had the same purpose, I think.

The CHAIRMAN. There was an amendment offered by the gentleman from Missouri [Mr. JONES] but it was not this same proposition which was just read by the Clerk.

Mr. COOLEY. The only difference is the name of the author.

The CHAIRMAN. The parliamentary situation, I would say to the gentleman from North Carolina, is different, too.

The question occurs on that part of the amendment just read by the Clerk.

The question was taken and the Chairman announced that the noes appeared to have it.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Can we have the amendment reported again so we can relieve some of the confusion as to the difference between this and the Jones of Missouri amendment?

The CHAIRMAN. I would say to the gentleman that the Committee just voted down the amendment.

Mr. COOLEY. Mr. Chairman, on that I demand a division.

Mr. SISK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. COOLEY. Is this the Poage amendment or the Rhodes of Arizona amendment?

The CHAIRMAN. The Chair endeavored to explain carefully that this is the first part of the Poage amendment as read by the Clerk a moment ago.

The question was again taken and the Chair announced that there were—ayes 111, noes 28.

So the portion of the amendment referred to was agreed to.

The CHAIRMAN. The question is on the remainder of the amendment offered by the gentleman from Texas [Mr. POAGE].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Beginning on page 25, line 10, through page 29, line 3, insert quotation marks before each subsection and insert closing quotation marks after the period on page 29, line 4.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 27, line 15, strike out "operate" and insert "operates".

The committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9811) to maintain farm income, to stabilize price and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, had come to no resolution thereon.

TO STRENGTHEN AND IMPROVE THE NATIONAL TRANSPORTATION SYSTEM

Mr. HARRIS submitted the following conference report and statement on the

bill (H.R. 5401) to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system:

CONFERENCE REPORT (H. REPT. No. 810)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5401) to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "That subsection (f) of section 205 of the Interstate Commerce Act (49 U.S.C. 305(f)) is amended by inserting after the second sentence thereof the following new sentence: 'In addition, the Commission is authorized to make cooperative agreements with the various States to enforce the economic and safety laws and regulations of the various States and the United States concerning highway transportation.'

"Sec. 2. Subsection (b) of section 202 of the Interstate Commerce Act (49 U.S.C. 302(b)) is amended by inserting '(1)' immediately after '(b)' and by adding at the end thereof the following:

"(2) The requirement by a State that any motor carrier operating in interstate or foreign commerce within the borders of that State register its certificate of public convenience and necessity or permit issued by the Commission shall not constitute an undue burden on interstate commerce provided that such registration is accomplished in accordance with standards, or amendments thereto, determined and officially certified to the Commission by the national organization of the State commissions, as referred to in section 205(f) of this Act, and promulgated by the Commission. As so certified, such standards, or amendments thereto, shall be promulgated forthwith by the Commission and shall become effective five years from the date of such promulgation. As used in this paragraph, 'standards or amendments thereto' shall mean specification of forms and procedures required to evidence the lawfulness of interstate operations of a carrier within a State by (a) filing and maintaining current records of the certificates and permits issued by the Commission, (b) registering and identifying vehicles as operating under such certificates and permits, (c) filing and maintaining evidence of currently effective insurance or qualifications as a self-insurer under rules and regulations of the Commission, and (d) filing designations of local agents for service of process. Different standards may be determined and promulgated for each of the classes of carriers as differences in their operations may warrant. In determining or amending such standards, the national organization of the State commissions shall consult with the Commission and with representatives of motor carriers subject to State registration requirements. To the extent that any State requirements for registration of motor carrier certificates or permits issued by the Commission impose obligations which are in excess of the standards or amendments thereto promulgated under this paragraph, such excessive requirements shall, on the effective date of such standards, constitute an undue burden on interstate commerce. If the national organization of the State commissions fails to determine and certify to the Commission such standards within eighteen months from the effective date of the paragraph, or if that organization at any time determines to withdraw in their entirety standards previously determined or promulgated, it shall be the duty of the

seek the Democratic Senate nomination and then run against Senator SALTONSTALL.

If he pursues this course, O'Brien could be in for the toughest battle he has faced.

(Mr. BOLAND (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. BOLAND'S remarks will appear hereafter in the Appendix.]

FOREIGN AID WINS BUSINESS FAVOR

(Mr. OTTINGER (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I have watched closely the operations of the U.S. foreign aid program, not only during the time I served with the International Cooperation Administration, AID's forerunner, but during my years with the Peace Corps and the nearly 8 months I have served in this body.

One of the most impressive aspects of our foreign aid program is the extent to which American business has become involved.

The foreign aid program cooperates with and encourages U.S. business to participate in foreign assistance programs in many ways. Some of the programs have been in existence since Marshall plan days; many have been put into operation recently and significant expansion is expected during the coming year designed to increase the role of American private investment in the less-developed countries.

American business firms, universities, and private associations on contract provide about one-fourth of AID's technical assistance. American engineering and construction firms overseas are supervising the design and construction of some \$4 billion in capital projects AID is helping to finance in the developing countries. Private firms, labor unions, and local governments as well as universities provide training for some 6,000 participants a year; the value of training services for these programs has been estimated at more than \$10 million.

In individual categories, AID is the major financier of American exports to developing countries, accounting for more than 40 percent of iron and steel product exports, 65 percent of fertilizer export, and 30 percent of railway equipment sales. Beside expanding the role of U.S. business and industry in producing goods for international development, the AID program introduces diverse American products to growing new markets in the developing areas, establishes new trade ties and opens up markets for U.S. services.

The story of AID encouragement of U.S. private investment in the developing countries is a laudable one, as pointed out by the New York World Telegram & Sun in a recent article:

[From the New York (N.Y.) World Telegram & Sun, May 8, 1965]

FOREIGN AID WINS BUSINESS FAVOR

(By Robert Dietsch)

WASHINGTON, May 8.—The administration's foreign aid program is getting considerable support from business this year. Three factors are responsible:

Foreign aid brings \$2 billion worth of sales to American business each year and opens the door to further private (and profitable) negotiations with foreign governments.

The program is being run more to business' liking. It is being reduced and streamlined and Administrator David E. Bell, by most judgments, is doing an outstanding job. Even the U.S. Chamber of Commerce had nice words for him recently.

Internationally minded executives feel foreign aid is a vital part of national policies. A good example is Chairman Sol Linowitz of Xerox Corp., who was instrumental in organizing the National Committee for International Development.

Its primary concern is to muster support and lobby for the aid program and its continuance.

All this does not mean that the majority of businessmen have jumped on the foreign aid bandwagon. "We still don't have a lot of executives behind us," one official of the Agency for International Development commented today. "But we are getting more support this year than ever."

The Linowitz committee is the first permanent business-dominated group to back the AID program. It reports a "remarkably good response from a recent membership drive." According to one spokesman only "5 or 6 men turned us down among 35 asked to join."

Since foreign aid was tied to a "buy American" program in 1960, resultant iron and steel export sales have risen from \$14 million to \$156 million, miscellaneous machinery sales from \$26 million to \$170 million, chemical sales from \$18 million to \$99 million, and nonferrous metal sales from \$1 million to \$57 million.

In its report on steel prices early this week, the President's Council of Economic Advisers said:

"Most American (steel) exports are high-quality sophisticated steels or are part of our 'tied' AID program to such countries as Pakistan and Wales."

At present, American firms hold \$4 billion worth of overseas construction contracts which are linked one way or another to AID programs. Some of this work involves private funds, it is true, but little if any would exist at all were it not for AID.

Private sales also linger after aid programs cease. U.S. private exports to Taiwan and Thailand, for example, are expected to continue upward after aid programs end shortly.

Some private deals with Japan can be counted as aid aftermaths. The same applies to India.

Under the "buy American" policy, almost 90 percent of AID's current \$3.3 billion appropriation will be spent in this country. AID foreign loans involve a line of credit for foreign countries, not cash.

Recipient countries tell the agency what they want to buy and AID prints the requests in bulletins distributed to 6,000 firms.

Approximately 100,000 business contracts are let through AID programs each year.

THE SO-CALLED OMNIBUS FARM BILL

(Mr. OTTINGER (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the

RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I regret that I must rise once again to speak in opposition to a major spending bill proposed by the administration.

H.R. 9811, the so-called omnibus farm bill, is probably the most complex and expensive single piece of legislation we have been called upon to consider in this session of Congress.

I cannot pretend to be conversant with all the incredible complexities of this bill. There are so many special interest subsidies for so many varied products, I doubt if the members of the committee can unravel them all. But I do know that it will mean the expenditure of more than \$4 billion of the taxpayers' money on programs that have not succeeded in the past, that cannot succeed in the future and that are inimical to the basic concepts of our American way of life.

I know that it vests the Secretary of Agriculture with extraordinary powers in the expenditure of this tremendous appropriation. I know that it deprives the Congress of the United States of its right to review these expenditures for 4 years and that it gives the Secretary of Agriculture unusual, and I believe unreasonable, power to interfere in the day-to-day operation of private farming businesses.

I also know the bill continues the various programs of paying uneconomic subsidies to farm businesses to produce surpluses which we must then again pay to have stored.

For any one of these reasons, I would find this bill objectionable and worthy of defeat.

I will leave to those better qualified than I the discussion of the defects of the specific provisions of the bill. What concerns me most is the corrosive effect this legislation will have upon our free enterprise system, our American initiative.

Neither I, nor any other American, want the Nation's farm economy to be struck by economic disaster. It is clearly the responsibility of the Federal Government to step in and help when any sector of our economy is suffering undue hardship. But I believe that the American people want the Federal Government to step in with temporary measures that will help strengthen and rebuild the economic structure of the farm economy—and then step back out again. We do not want the Federal Government to perpetuate forever an artificially supported, unsound situation.

This farm program is the Federal version of "The Man Who Came to Dinner." Everybody admits that it is an unwanted "guest" in our Federal system. Everybody agrees that it ought to be ordered out of the Federal house. But when the time comes to do something about it, then we hear that the consequences of evicting it are too great.

There has been a great deal of thought given to ways of getting a better result from the Federal subsidy and support

programs, but none, as far as I can see to ways of getting rid of them entirely.

The bill we are considering here today is not a temporary measure. It ratifies and reinstates long standing subsidies and supports, some of which were initiated as temporary measures 20 years ago. It adds new subsidies and new supports and it holds no promise for the future but more subsidies, more supports and the grim spector of growing Government controls over our economy. Just last week, we saw this same concept applied to industry in the administration's Public Works and Economic Redevelopment Act. We must stop somewhere.

I could support a farm bill which introduced a gradual phaseout of these uneconomic subsidies, even over a long period of time. Until such a proposal is incorporated, however, I must oppose. I could and have supported measures to assist farmers in need, to rehabilitate and educate, to help them improve farming methods.

Proponents of this bill argue that although food prices have gone up over recent years, the farmers' profit has not. I ask why not? If the farmer is not getting his share of the profit that is being made from food distribution then I wonder whether instead of legislating controls and subsidies for the farmer or we ought not to be finding out who is skimming the profit off the top?

Undoubtedly there are worthwhile programs buried in H.R. 9811. But they are far outweighed by the harm that is being done to our free enterprise economy by it.

I am tired of being asked, "But what will happen if we do not pass this bill?" Every time we are asked to vote for a bad bill, this is the question with which we are faced.

I do not believe the American people will accept this sort of fuzzy argument any more. They expect us to come up with good legislation, not bills that are only a little better than the claimed disaster we face if they are not passed.

But I reject the idea that we face such a disaster at all if we defeat H.R. 9811. If we do not pass this bill, only one of the programs in it would expire, the wool program. If we do not pass this bill the only disaster we face is that we will be just as badly off as we have been under successive farm legislation of the past. In short, if we do not pass this bill—and I strongly hope that we will not—we have time to get to work on creative, forward-looking legislation that will be aimed at curing some of the ills of our farm economy instead of enshrining them in Federal law as permanent fixtures of national economy.

NATIONAL DRUM CORPS WEEK

(Mr. GARMATZ (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GARMATZ. Mr. Speaker, our newspapers and magazines daily call attention to juvenile delinquents and the unfortunate incidents in which our young people are involved.

This week has been designated as National Drum Corps Week and honors about 1 million of our young people who are active in drum corps.

The misdeeds of the few are given wide publicity and, therefore, it is especially appropriate that the many activities of a worthwhile nature are brought to the attention of the public.

In my own city of Baltimore, and indeed, throughout the State of Maryland, there are many drum corps in which thousands of our young people are active. Many of them are sponsored by veterans or civic groups and they compete annually for honors and trophies.

I think this splendid program should be encouraged, as it not only has cultural value but focuses the sights of the participants on wider activities of a group nature and enables them to participate in many civic affairs, which they would not otherwise be aware of, much less attend. Let us do everything we can to promote this extremely worthwhile cause.

A SALUTE TO THE DRUM CORPS

(Mr. FRIEDEL (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRIEDEL. Mr. Speaker, as lawmakers for the Nation, we are charged with the duty and responsibility to promote the general welfare. In fulfilling such obligation, we naturally take note of those things which either further that desirable objective or which tend to work against it.

Everyone, no doubt, will agree that we would much rather be able to point to something with pride than view it with alarm. I am, therefore, happy to observe the widespread interest throughout the United States in the very wholesome activities of drum and bugle corps.

The great extent of this interest is indicated by the establishment in every section of the country of State associations or regional groups of drum and bugle corps units for the purpose of promoting activity for member units and helping local communities to organize civic festivities or other special events involving participation by young men and girls who play the drums and bugles.

The drum corps is primarily a youth activity which performs a vital service in the constructive development of our youth by offering them an opportunity to acquire an interest in music, to learn the value of teamwork, and to channel their leisure time into worthwhile ends.

The ugly words, "juvenile delinquency," are heard with greater frequency now than in former times. We are appalled at the rise of crime in our country. I can think of no better way to combat misconduct of our young people than to have them become members of their local drum corps or drum and bugle corps. At this time more than 1 million young Americans are engaged in colorful and patriotic drum corps activity.

The week of August 15-21 is National Drum Corps Week. It merits our enthusiastic support and the cooperation of

both the general public and all governmental officials. I know my colleagues in the Congress will join me in wishing every success to the fine young men and women who are members of the corps.

VIETNAM

(Mr. BINGHAM (at the request of Mr. FOLEY) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, in response to a questionnaire I recently circulated in my district, some 60 percent of the 8,000 who answered indicated that they favored the administration's policy in Vietnam or more drastic measures. In spite of this, most of the mail I have been receiving is critical of our military actions in Vietnam.

Because it may be of possible interest to my colleagues in the Congress and to readers of the CONGRESSIONAL RECORD, I include herewith a statement on the subject of Vietnam which I am sending to my constituents who have written to me on this subject:

STATEMENT ON VIETNAM

In recent weeks I have continued to find out as much as I can about the situation in Vietnam and about the effect on our position at the United Nations and elsewhere in the world of our policies in Vietnam.

To this end, I have participated in two briefings at the White House, in several conferences with the Secretary of State and others in the State Department, and in meetings with other experts, some of whom are critical of our policies. I have read voluminous materials from various sources on the subject. I helped to arrange a public forum on this subject in my district. Recently, at the invitation of Congressman BENJAMIN ROSENTHAL, I joined with him in conducting an informal public hearing in his district. Finally, I have read with interest and care the mail I have received from constituents on this subject.

My views may be summarized as follows:

1. I am enormously disturbed by the situation in Vietnam and am not hopeful of any favorable outcome in the near future. I know of no one in Washington who does not share this concern. The President, who keeps hourly track of the casualties with agonizing care, has indicated again and again his intense desire to move the dispute from the battlefield to the bargaining table and to achieve an honorable settlement. I profoundly hope that he will succeed in this endeavor.

2. I am utterly opposed to our moving land troops into North Vietnam or to bombing North Vietnamese cities. While there are those in Washington who argue for such extreme measures, I am confident the administration does not contemplate any such action.

3. I am also opposed to our withdrawing from Vietnam and letting the North Vietnamese Communists take over. Such a course would have devastating effects on our positions and objectives in many parts of the world. Most of the major neutral nations of the world would not be in favor of such a course. It is of interest that less than 10 percent of the 8,000 constituents who replied to my recent questionnaire favored this alternative in Vietnam. About 60 percent favored the administration's position or more drastic action.

4. I am fully persuaded that the administration's military endeavors are limited to what the administration considers necessary to prevent a North Vietnamese Communist takeover of South Vietnam. While I would have been much less disturbed if

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HIGHLIGHTS: House passed farm bill. House agreed to conference report on foreign aid bill. House agreed to conference report on State-Justice-Commerce appropriation bill. Senate passed bill to expand poverty program. Sen. Moss introduced and discussed bill to redesignate Interior as Dept. of Natural Resources.

HOUSE

1. FARM PROGRAM. Passed 221 to 172, with amendments H. R. 9811, the farm bill (pp. 20235-91, 20311, 20320). Rejected, 169 to 224, a motion by Rep. Dague to recommit the bill to the Agriculture Committee (pp. 20289-90).

Agreed to the following amendments:

By Rep. O'Neal, to provide that cotton allotments may be sold or leased for transfer to farms in another county within the same State, provided that farmers within the county of origin will have priority in leasing or

buying such acreage allotments for an initial period of 45 days after an intent to sell or lease has been filed with the ASCS committee.
pp. 20235-8

By Rep. Willis, to provide that for the 1966, 1967, 1968, and 1969 crops of cotton payments shall be made at a rate not less than 9 cents a pound to those participating in the cotton acreage reduction program. p. 20238

By Rep. Cooley, to provide that CCC shall sell marketing certificates for the marketing years 1966 through 1969 wheat crops to persons engaged in the processing of food products at face value thereof less any amount by which price support for wheat accompanied by domestic certificates exceeds \$2.00 a bushel. pp. 20255-64

By Rep. Belcher, to authorize the Secretary of Agriculture, upon the request of any agency of any State charged with the administration of the public lands of the State, to permit the transfer of acreage allotments or feed grain bases together with relevant production histories, under certain conditions, from any farm composed of public lands to any other farm or farms in the same county composed of public lands. p. 20281

Rejected the following amendments:

By Rep. Whitten, which he stated would make the operations of the cotton section dependent on the carrying out of the Export Sales Act of 1956.
pp. 20238-46

By Rep. Casey, 35 to 50, to provide that CCC may not store any agricultural Commodity except pursuant to a contract entered into prior to the enactment of this bill, or entered into thereafter on the basis of competitive bids. pp. 20247-8

By Rep. Michel, which he stated would amend the cotton title of the bill so as to "strike the provisions of the bill that have come to be known as the snapback clause." p. 20248

By Rep. Michel, 35 to 78, to require annual appropriations to buy cotton allotments from farmers who no longer desire to grow cotton (rather than permitting the Secretary to use CCC funds for this purpose as provided in the bill). pp. 20248-9

By Rep. Findley, 32 to 93, to amend section 379d of the Agricultural Adjustment Act of 1938 so as to provide that domestic marketing certificates shall not be required by processors under section d(b) of the section and any portion of price support in excess of the level of price support for non-certificate wheat shall be paid in cash by the Secretary. pp. 20258-64

By Rep. Dole 63 to 67, which he stated "would make it possible for a legally married couple to live in the same dwelling and still participate in the farm program." pp. 20264-5

By Rep. Rhodes 28 to 64, to exclude Soft Red Winter wheat and Soft White wheat produced east of the Mississippi River from acreage allotments, marketing quotas, marketing certificates, and price supports. pp. 20265-6

By Rep. Dole, as amended by an amendment by Rep. Redlin, 82 to 141, to provide that CCC shall not make any sales of wheat at less than 110 percent of the current support price for wheat, plus reasonable carrying charges.
pp. 20266-70

By Rep. Latta, to permit increased production of Soft Red Winter wheat.
pp. 20270-1

By Rep. Gathings 45 to 101, to strike out entirely the cropland adjustment title of the bill. pp. 20272-5

By Rep. Resnick, 110 to 137, to permit marketing orders for egg producers.
pp. 20275-81

mission, in its applicability to enforcement proceedings of part 2 of the Interstate Commerce Act, which has to do with motor carriers.

The House bill provided that the jurisdiction of the Interstate Commerce Commission over any such problems involving certificates be maintained, although it did provide, also, where there were clear and patent violations of the act itself the injured party could file proceedings directly in district court and seek relief there. It will be remembered, I am sure, on the floor of the House in order to meet some of these objections we offered an amendment which was adopted which would retain jurisdiction in the Interstate Commerce Commission so that when such proceedings were brought in a district court, the Interstate Commerce Commission could notify said court that it had proceedings pending before the Commission and therefore they would take jurisdiction of the matter and the court would automatically suspend its consideration of the problem.

The conferees changed the provisions and deleted the language with reference to the jurisdiction of the Commission because it was made unnecessary since the amendment provided that the Commission could, on its own, take jurisdiction of the matter which might be pending in the court. This worked out to the entire satisfaction of all of those interested in it.

The second proviso is somewhat comparable to part 4 of the Interstate Commerce Act having to do with freight forwarders. However, there was some concern among the shippers that there would be harassment through filing of suits in district court. So the committee, in an effort to overcome this objection or fear, more than anything else, provided, No. 1, that there must be a clear and patent violation. No. 2, that the Interstate Commerce Commission on its own motion or otherwise could take jurisdiction of any case which would be filed in the district court seeking such relief. Therefore, the policy of the Interstate Commerce Commission could be maintained by the action of the Commission itself.

Then we went further to alleviate the fear by including language in the conference report that should anyone attempt to harass any of the shippers, or others, with this provision, that it not be the purpose of this conference report to permit and that the Interstate Commerce Commission would automatically be expected to take jurisdiction of the matter, and, therefore, avoid any such fears that any shipper may have.

The third difference had to do with the issuance and revocation of certificates of operation on navigable streams. The House committee provided free entry for operation on navigable streams and provided that the Interstate Commerce Commission could revoke certificates which were not used and that after 3 years of noneuse it would automatically be so provided. The Senate had no comparable provision. The conferees agreed to give the Commission authority on its own, or by motion, to consider the revocation of a certificate under certain con-

ditions. Therefore, the House receded on the authority of the Commission to revoke automatically after 3 years, or free entry into operation on navigable streams.

The fourth provision had to do with the effective date, and, therefore, there was no question about it.

Those are the differences resolved by the conference. We think it is a very fine forward step in strengthening our transportation policies and providing for cooperation between the Federal Government and the States in our transportation problems. We commend this report to the House and recommend the conference report be adopted.

Now, Mr. Speaker, I yield to the gentleman from Minnesota [Mr. NELSEN], a member of the committee.

Mr. NELSEN. Mr. Speaker, I note that some of the members of the minority are unable to be here at this time and I would like the gentleman to inform us as to the opinions of all the House conferees—minority and majority and is it not true that there was unanimity of opinion on all points in the bill.

I did not serve on that committee and I do not want to speak as an authority on what might have happened in the conference.

Mr. HARRIS. Mr. Speaker, I will say to the gentleman that all Members were notified in the RECORD today that this conference report would be called up prior to going back into the farm bill. I endeavored personally to notify other Members, a little while ago, that we would proceed with it.

I would also like to say to the gentleman that all differences were resolved. This is a unanimous report. All members of the conference, on the part of the House and the Senate are completely satisfied and are in hearty approval of this conference report.

Mr. NELSEN. I might say that to my knowledge there is no controversy. I am sure that is the feeling that the other members of the conference committee would have expressed if they were here.

Mr. HARRIS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks in the RECORD prior to the adoption of the conference report just agreed to.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

FOOD AND AGRICULTURE ACT OF 1965

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further con-

sideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The motion was agreed to.

IN COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 9811, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday it was agreed that title IV be considered as read and open for amendment at any point. Are there any further amendments to title IV?

AMENDMENT OFFERED BY MR. O'NEAL OF GEORGIA

Mr. O'NEAL of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEAL of Georgia: Page 25, line 13, after the word "State;" strike out the balance of line 13 and strike out lines 14 through the word "Commodity;" on line 21 and substitute the following language:

"(ii) Farm allotments may be sold or leased for transfer to farms in another county within the same State, provided that farmers within the county of origin will have priority in leasing or buying such acreage allotments for an initial period of 30 days after an intent to sell or lease has been filed with the County Agricultural Stabilization and Conservation Committee of the seller's intent to sell at a stated price."

(Mr. O'NEAL of Georgia asked and was given permission to revise and extend his remarks and to proceed for 3 additional minutes.)

The CHAIRMAN. The gentleman from Georgia is recognized for 8 minutes.

Mr. O'NEAL of Georgia. Mr. Chairman, if a cat can look at a king, perhaps a freshman member of the turbulent Committee on Agriculture can make some contribution to this controversial cotton title of the controversial omnibus farm bill.

Controversial as it might be, the bill has many good features and many bad ones.

Many things have been done to placate many sections. The breadeaters have been promised satisfaction in the wheat title. The California Congressmen have been given concessions in the cotton title, and now the distinguished and able chairman and vice chairman have offered and pushed through a series of amendments designed to satisfy the southeastern cotton Congressmen.

They have thrown us a bone, and I do not want to appear ungrateful but unfortunately it is a pretty dry bone with little if any meat on it. To put it another way, they seem to have improved and dressed up release and reapportionment; but the sad truth is that it has not helped much. I am afraid that they have just put a little nicer shroud on the corpse of release and reapportionment, have practically killed it with other sections of the same bill.

Let us digress long enough to point out that every section of the cotton country has its own sacred cows. In the district of our beloved vice chairman it is skip row planting, and I hesitate to even mention it because I might be unintentionally starting something since he likes the practice so well and defends it so heatedly.

The California cotton growers are very devoted to irrigation, most of it financed out of the Federal Treasury.

We, in the upland section, like release and reapportionment, not only because of the advantage to the individual who wants to plant cotton; but also because it slows the economic death of our merchants in small communities and the consequent disappearance of churches, schools, and other institutions in those places.

Now what have they really done to release and reapportionment? Why do I say they have simply dressed up the corpse?

There will be practically no release and reapportionment if this bill passes. There will be no reapportionment for the simple reason there will be no release.

Now let us see whether there will be release.

If a farmer decides he cannot raise cotton profitably, he has one of four things he can do with his allotment:

First. He can rent it for money to the Secretary of Agriculture for not less than 5 and not more than 10 years under title VI of this bill—cropland adjustment.

Second. He can sell it for money to the Secretary of Agriculture under the cotton title.

Third. He can sell or lease it to another cotton farmer for money under certain conditions we will come back to in a moment, or

Fourth. He can release it to the ASC committee under release and reapportionment and get nothing for it.

Now, which will he do? You can bet it will not be release and reapportionment.

Now what my amendment does is put a little more sense in No. 3.

Under No. 3 he can sell or lease to another farmer, but it is designed so that it will not happen often. Because for this to cross a county line the seller must obtain a two-thirds vote of cotton growers in his own county before he can sell or lease to another farmer in an adjoining county. This virtually makes it impossible to sell because it just puts too big an obstacle in his way.

My amendment would simply make it more practical and yet protect the economy of the seller's county by requiring the seller to accept the same price from any farmer in his own county during a 30-day period before selling to a farmer in another county.

It is more important for a farmer to be able to sell or lease his uneconomic allotment within the geographical limits of his State than it is for him to be able to give it away. We have all come to recognize these allotments as important and valuable property rights.

I believe that any cotton farmer in a State should have an opportunity to pur-

chase or lease allotment from anyone in the same State who has allotment for sale or lease. This would provide maximum use of available acreage in the State and would help to assure a ready market for unused or unneeded cotton allotment.

In addition to eliminating this unnecessary barrier against sale and lease of cotton allotments within a State, this amendment will protect the economy of the seller's own county and still avoid the unnecessary expense of calling and holding a referendum on the subject.

This amendment would not work a hardship on any farmer or county. Instead, it would help hold the cotton community together in a period of economic adjustment. It would not hurt anybody in any other State.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I want to call attention to one thing this amendment does which I think is contrary to the very thing we have been trying to do. The argument that has been used in favor of this bill, unless you do have a vote of the people who have cotton allotments in your county agreeing to move across county lines, you are going to contribute to the destruction of the economy in that county.

Why do I say that? If enough of these allotments are sold from that county they are forever gone. I can see in a community where you may have one cotton gin and they have enough cotton, or the potential of raising enough cotton to keep that gin going, if they move this cotton allotment out of that county they will get to the point you will not have the potential for growing cotton, the gin will be closed down, and it will be a burden on the people who will have no place to market their cotton and have that service. That would be one of the reasons to vote down the amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from North Carolina.

Mr. COOLEY. As I understand the amendment offered by the gentleman from Georgia, the cotton allotment must first be offered to prospective purchasers within the county. They will have 30 days to consider whether they want to buy it or not. Then the owner of the allotment can sell it to some outside county.

Mr. JONES of Missouri. We go back to the small producer. Everybody is crying for the small producer. I do not think it is a valid argument. That small producer might not have the money to buy the allotments. It leaves the county, and you hurt it very much, and you are defeating the very one you are trying to help.

Mr. COOLEY. It would go out of the county anyway.

Mr. JONES of Missouri. I do not think so. He can release it, and it goes to the State committee for that one year, but the allotment is retained in that county. If he sells it, it is gone permanently, it will never return.

Mr. COOLEY. If he sells the allot-

ment to the Federal Government it will not come back.

Mr. JONES of Missouri. Yes. I would like to curtail release and reapportionment, and I have been trying for the last 3 days to accomplish that, but it seems the Members of the House are willing to accept \$80 million addition it costs.

Mr. COOLEY. I know how vital this is to our country.

Mr. JONES of Missouri. You want your cake, and to eat it too.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Illinois.

Mr. FINDLEY. Does this amendment apply to prospective allotments sold to the Secretary of Agriculture as well as to farmers?

Mr. JONES of Missouri. I did not understand that it did.

Mr. WILLIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask a couple of questions of the author of this amendment. As I understand it, under the bill reapportioned acreage must remain in the county from which they are being reapportioned, unless otherwise decided by a referendum vote.

Mr. O'NEAL of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Georgia.

Mr. O'NEAL of Georgia. I think the gentleman is confusing release and reapportionment with this amendment. They are not related at all. I have discussed both, but they are not related at all. This amendment does not have anything to do with release and reapportionment; it has to do with another section of the bill whereby a man might sell his allotment. Whereas under release and reapportionment, he would give up his allotment free.

Mr. WILLIS. Well, in the case of sale or lease of the allotment, then under the bill as it now stands as distinguished from this proposed amendment, what is the procedure?

Mr. O'NEAL of Georgia. The procedure is as follows, and I am reading from page 25 of the bill, line 13, subparagraph ii:

No farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the county from which transfer is being made have voted in a referendum within 3 years of the date of such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity.

Now I would say this was put into the bill to provide an obstacle that could hardly be overcome. But my amendment will protect the economy of that county by permitting anyone else in the county to buy this, even from outside the county.

Mr. WILLIS. Your amendment provides for a period of 30 days—instead of a referendum; is that it?

Mr. O'NEAL of Georgia. Yes; that is right.

Mr. WILLIS. Why does the gentleman think that one is better than the other? And I am not disputing you here, I am interested in this amendment.

Mr. O'NEAL of Georgia. I think it would be a very cumbersome and burdensome and unwieldy thing to call a referendum to sell one cotton allotment in the first place. I think the economy of the county would be protected just as well by my plan.

Mr. WILLIS. So far as I am concerned, I do not like the idea of cotton allotments being sold, leased, or reapportioned out of the county. However, as I understand the present bill, at least before that can be done there must be a referendum. But now under the gentleman's amendment relating to a lease, transfer, or sale, there must be a lapse of 30 days, or an option of 30 days given to the local farmers within the county; is that correct?

Mr. O'NEAL of Georgia. The gentleman is correct.

Mr. WILLIS. Let me ask the gentleman this question. I don't mind a long period, since I do not like to have cotton get away at all. Would the gentleman think of making the period 60 days, and I will go along with that.

Mr. O'NEAL of Georgia. I would not object to 60 days if it will get the gentleman's vote on this.

Mr. WILLIS. I think a time must come when some mechanism must be devised along the lines of the bill. It seems to me 30 days would not give the people in a community a long enough opportunity to buy that allotment and thus have the cotton grown in that county.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, do you not agree that this referendum idea is very cumbersome and would be very expensive? In the State of North Carolina we would probably have to hold 50 or 60 separate referendums. This amendment would eliminate that. I do not see why you want to pick on a 60-day period for them to make up their minds whether they want to buy an allotment or not.

Mr. WILLIS. I think a 60-day period would be preferable. According to the wording of the amendment and I have just been handed a copy of it, it states, "a period of 30 days after an intent to sell or lease has been filed with the County Agricultural Stabilization and Conservation Committee."

Mr. COOLEY. Why is that not a long enough period of time?

Mr. WILLIS. I think the farmers ought to have a longer opportunity and time to inquire as to what is available.

Mr. COOLEY. Why do you not compromise and make it 45 days?

Mr. WILLIS. I will buy that.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. LENNON. Mr. Chairman, I ask unanimous consent that the gentleman from Louisiana may proceed for 4 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WILLIS. Mr. Chairman, I think the referendum is cumbersome and ex-

pensive, at least the way it has been explained. Let me ask the gentleman if I am right. This might necessitate a series of referendums; would it not?

Mr. COOLEY. Yes—one in every county.

Mr. WILLIS. All right then—I agree that it could be cumbersome but I hold to the idea of the bill, however, that the acreage covered by a lease, sale or transfer of allotments ought to remain in the county if farmers in the county are interested in planting the cotton.

Mr. COOLEY. As was pointed out by the gentleman from Georgia [Mr. O'NEAL], the author of the amendment, there might perhaps be only one or two farmers in the county who want to sell their allotment and still you would have to have a referendum; is that not right?

Mr. O'NEAL of Georgia. That is correct, Mr. Chairman, and the referendum must have been held within the last 3 years. But the gentleman forgets that there are other ways of disposing of these allotments—by selling them to the Secretary and so they would disappear forever from the whole State.

Mr. WILLIS. Will the gentleman say that again?

Mr. O'NEAL of Georgia. There is a provision in this bill whereby the Secretary may buy a cotton allotment and dispose of it forever.

Mr. WILLIS. On page 29?

Mr. O'NEAL of Georgia. I do not know what page it is on, but it is in the bill.

Mr. WILLIS. It is on page 29. I will want to question the chairman about it.

Mr. O'NEAL of Georgia. If the gentleman will yield further, I am trying to provide some way for a person who does not want to raise cotton to have this remain in the State—in the State of Louisiana.

Mr. WILLIS. Not only in the State of Louisiana, but also in the county from which the transfer is made.

Mr. O'NEAL of Georgia. If the people in that county still want it.

Mr. WILLIS. I believe the gentleman and I have a common thought on this.

Mr. O'NEAL of Georgia. I thank the gentleman.

Mr. WILLIS. The mechanism should be clear.

First, the premise ought to be that the farmers in the county where the allotment exists ought to have an opportunity to grow the surrendered acreage in that county.

Second, only in the absence of any interest of the local farmers can the acreage go to another county.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Texas.

Mr. POAGE. On that 30-day provision, I hope the gentleman will yield his insistence on an extension. This might destroy the opportunity of a great many local farmers to get a good sale. If an unduly long period of notice is required it will certainly make it extremely difficult to get a fair price. One cannot sell cotton allotments. One cannot sell books or even Bibles, if one is going to

require somebody to keep open an offer for 60 days. When the man gets an offer he will have to deal with somebody or he will lose his trade. The result will be to lower the price for these allotments.

The proposition of the gentleman from Georgia [Mr. O'NEAL], on 30 days, certainly would give an adequate time for anybody in the county who wanted to buy it to buy it.

Mr. WILLIS. I had thought the chairman and I had hit a common ground of something in between. I believe 45 days ought to be acceptable.

Mr. O'NEAL of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. The gentleman offered to accept 45 days.

Mr. O'NEAL of Georgia. If the gentleman will yield, I now ask unanimous consent that I may modify my amendment, to make that 45 days.

Mr. WILLIS. I accept that. I am for the amendment.

The CHAIRMAN. Does the gentleman from Georgia make a unanimous-consent request?

Mr. O'NEAL of Georgia. Mr. Chairman, I ask unanimous consent to modify my amendment, to make it 45 days instead of 30 days.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the amendment, as amended, as follows:

Amendment offered by Mr. O'NEAL of Georgia: Page 25, line 13, after the word "States", strike out the balance of line 13 and strike out lines 14 through the word "Commodity"; on line 21 and substitute the following language:

"(ii) Farm allotments may be sold or leased for transfer to farms in another county within the same State, provided that farmers within the county of origin will have priority in leasing or buying such acreage allotments for an initial period of 45 days after an intent to sell or lease has been filed with the County Agricultural Stabilization and Conservation Committee of the seller's intent to sell at a stated price."

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from North Carolina.

Mr. JONAS. I certainly am not going to object. I tried to get the attention of the gentleman from Louisiana earlier, but he was busily engaged in colloquy.

I do not believe we want to run the risk of having too long a period elapse, because the farmers have to plow their ground and have to make their plans. These allotments are gotten rather late in the year.

Mr. WILLIS. I know about that. I am a cotton farmer myself.

Mr. JONAS. Is the gentleman sure this is not going to cause some inconvenience to some of the farmers?

Mr. WILLIS. There may be a little inconvenience, but as between that and the flight of cotton allotments from one end of the State to the other, this is a better choice. I do not want to see that happen. If it is a little troublesome, let us put up with that trouble.

The CHAIRMAN. The question is on the amendment offered by the gentle-

man from Georgia [Mr. O'NEAL] as modified.

The amendment, as modified, was agreed to.

AMENDMENT OFFERED BY MR. WILLIS

Mr. WILLIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIS: On page 17, line 24, change the period to a colon and insert the following: "Provided further, that for the 1966, 1967, 1968 and 1969 crops of cotton payments shall be made at a rate not less than 9 cents per pound."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. Yes, I yield to the chairman.

Mr. COOLEY. If I understand your amendment, it is really a clarifying one. You are offering it because of the debate we had here the day before yesterday, and you are proper in doing so.

Mr. WILLIS. That is right. It is the result of a colloquy which the chairman and I and others had a couple of days ago. Some felt it was not entirely clear whether the bill meant what my amendment specifically says. This carries out what I understand to be the chairman's opinion of what the bill does. This nails it down.

Mr. COOLEY. That is right. I am very glad, as far as I am concerned personally, to say that I am in favor of it because I did say at that time if we needed a clarifying amendment, we would provide one.

Mr. WILLIS. Exactly.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman.

Mr. ABERNETHY. Is this the 9-cent amendment we discussed the other day?

Mr. WILLIS. Yes.

Mr. ABERNETHY. And it does put in the bill the definite commitment on the part of the Government to pay the 9 cents a pound?

Mr. WILLIS. I would say it is so clear there is not one person in the Government who can mistake it.

Mr. ABERNETHY. And without that, there was nothing in the bill to assure the 9 cents would be paid.

Mr. WILLIS. The point was some said there was and some said there was not. This clinches it.

The CHAIRMAN. The question occurs on the amendment offered by the gentleman from Louisiana [Mr. WILLIS]. The amendment was agreed to.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Page 14 following the word "follows" in line 15 add the following:

"For such period as the Secretary of Agriculture shall carry out the provisions of the Export Sales Act of 1956 (7 U.S.C. 1853) the following changes shall be made in the Agricultural Adjustment Act of 1938, as amended."

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I would like to reserve a point of order on this amendment.

Mr. WHITTEN. Mr. Chairman, this amendment would make the operations of the cotton section dependent on the carrying out of existing law, which is the Export Sales Act of 1956. As I pointed out in the debate yesterday, the Commodity Credit Corporation has, from the beginning, had authority to sell surplus commodities in world trade at competitive prices. In other words, for all the commodity would bring. For many years, as I pointed out yesterday, the Department held U.S. holdings off world markets by this device. They offered the commodities at a fixed price, which meant all the rest of the world's suppliers sold just under our fixed price and we held an umbrella of protection over all of the other producer countries of the world. With time we persuaded the Department to move into the world markets and sell the commodities for all they would bring, just as every other nation does. They did this with the exception of cotton. Notwithstanding the right to sell cotton competitively, the Department offered it at a fixed price and the other folks sold their cotton and we did not but counted such cotton to reduce U.S. acreage.

Mr. Chairman, I have before me here the figures from the Department. During the period that the Department did not use the authority of law to sell competitively, foreign acreage in cotton increased from 53 million acres in 1950 to 67 million acres in 1955. In other words, while we were not selling but holding an umbrella over the rest of the world, foreign planting increased from 53 million acres planted to 67 million acres.

In 1956, we provided through this committee, under the sponsorship of the chairman of the Committee on Agriculture, an amendment to the law which says among other things that the Department of Agriculture shall see that such quantities of cotton shall be sold as will reestablish and maintain the fair historical share of the world market for U.S. cotton. That law is on the books today. In 1956, when this Committee on Agriculture, with the support of the Congress, passed the law requiring them to sell, the Department went back into the market and we began to sell our share of this product.

Foreign plantings dropped from 67 million acres in 1956 to 64 million acres in 1960. Then once again our Department quit selling cotton competitively, started again to offer it at a fixed price, and permitted our foreign competitors to sell right under us. What happened? The amount of the reduction in foreign acres came back and the acreage in foreign countries increased from 64 million acres to 67 million acres in 1964. Whatever law is passed it is not going to work unless the Department carries out the law which has been that we must sell a sufficient supply to retain our foreign markets, and you can sell it only if you meet your price competition.

The provisions of this bill reduce price supports to around 21 cents, but that will

not help a bit with foreign markets as long as you offer cotton at a fixed price. Again, they will sell just under us, and we will continue a residual supplier. What I do here is direct the Secretary to carry out existing law for export sales which says that such quantities of cotton shall be sold as will reestablish our historical share of world markets and maintain the historical share of the world market for U.S. cotton.

I should hope that this Committee would accept this amendment. This Committee sponsored this act in the beginning. The record is quite plain. If we had followed the act during the last 4 years we would have 4 to 5 million bales less on hand and the Treasury Department would have half a billion dollars that it does not now have.

I hope that the amendment will be accepted.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. FINDLEY. I am not clear as to how the gentleman's amendment would require the Commodity Credit Corporation to sell stocks.

Mr. WHITTEN. The cotton section would be inoperative unless he did.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MAHON. Is it not the view of the gentleman from Mississippi that to have a successful cotton program it will be necessary to have an effective export sales program for cotton? A cotton program cannot succeed without a successful sales program. Population is exploding and textile consumption is expanding all over the world but the U.S. cotton farmer is not getting his fair share of world markets because U.S. cotton is not being sold competitively.

Mr. WHITTEN. I do not think there is any question about it. Our fair share would be that between 6 and 7 million bales annually. We have been selling between 3 and 4 million bales because we have not kept our price competitive. We have been offering it at a fixed price and the record is absolutely uncontradicted that if we offer anything at a fixed price our competitors sell under us and we build up our surplus and they get the market. That has been going on to some degree for 4 years. This amendment would put the pressure on the Department to carry out this provision.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. JONAS. The gentleman's amendment would apply to the entire 4 years?

Mr. WHITTEN. It would apply to the cotton section. It would be operated as long as necessary to carry out existing law.

Mr. JONAS. It would perpetuate the export subsidy in order to make cotton competitive in the world market.

Mr. WHITTEN. I have personally not used that term. I refer to selling for what the world would pay for it. This is what every nation does. Support prices are to offset American costs and to maintain purchasing power.

Mr. JONAS. That would be all right if it applied only to the 14 million bales not in storage. Under your amendment we would be producing cotton in the future for subsidized export?

Mr. WHITTEN. No. The law says we shall determine what our fair share is and sell up to our normal historical share. The law limits the requirement on sales to our fair historical share.

Mr. JONAS. The gentleman's amendment would apply to the future as well as the present.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

(Mr. WHITTEN asked and was given permission to proceed for 1 additional minute.)

Mr. WHITTEN. May I say that the Export Sales Act provides that the Secretary shall determine what our historical share is and sell up to that point. So, beyond that, the law does not apply.

Mr. JONAS. Mr. Chairman, if the gentleman will yield further, it would be above what we are exporting this year.

Mr. WHITTEN. Certainly it would. This year we have not sold but about half of what the law requires us to sell.

Mr. JONAS. That is right, but in future years we would be producing for subsidized export.

Mr. WHITTEN. Well, if we do not export about one-third of our cotton production as we have historically, the effect would be bad on all.

Mr. JONAS. The fact is that the domestic mills take twice as much cotton from the cotton farmers than that which goes to export.

Mr. WHITTEN. That is right.

Mr. JONAS. If the gentleman will yield further, I want to be sure whether the gentleman's amendment would provoke or encourage the production of cotton which could not be sale in the world market unless it is subsidized by the taxpayers of the country.

Mr. WHITTEN. We would just say the Secretary should sell cotton competitively in world markets, to the extent of our normal historical share, which the law now requires.

Mr. COOLEY. Mr. Chairman, may I state my point of order?

The CHAIRMAN. The gentleman will state his point of order.

Mr. COOLEY. Mr. Speaker, I make a point of order against the amendment not because of germaneness, but because it is an unconstitutional and unwarranted delegation of the power of Congress to some unknown person or to some unknown agency to make the determinations contemplated by the gentleman's amendment. We have no right to delegate this authority to any other person.

Mr. Chairman, the amendment offered by the gentleman from Mississippi does not even name the person or the agency who would make the determination.

Another objection to the amendment is that it makes this act absolutely contingent upon this determination, to be made by some unknown person.

Mr. Chairman, we cannot suspend this act in any such fashion as that and, therefore, I say that the point of order

should be sustained and the amendment should be rejected.

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard on the point of order?

Mr. WHITTEN. Mr. Chairman, I wish to be heard on the point of order. Certainly I do not believe that there is any case where the Congress does not have a right to set the terms and conditions upon which any legislation may become affected. The law to which I referred is on the statute books and the reference made to it says that the provisions of this act shall be effective only as this other law is carried out.

Mr. Chairman, I think that certainly an objection might be in order, but I do not think there is any question insofar as the point of order is concerned.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Who would make the determination as to whether or not this act of Congress would go into effect or should not go into effect?

Mr. WHITTEN. The Secretary of Agriculture. He has to make all of the determinations throughout this bill.

Mr. COOLEY. If the gentleman will yield further, you delegate to the Secretary of Agriculture authority to determine whether an act of Congress goes into effect? So, that is an admission of the intent of the gentleman's amendment.

Mr. WHITTEN. My intent is to see that the present law is carried out.

The CHAIRMAN (Mr. HARRIS). The Chair is ready to rule.

The gentleman from Mississippi offers an amendment to this title which the Clerk has reported which proposes to amend title IV, section 401.

The Chair has had occasion to observe the provisions of the law included in title VII of the United States Code to which the amendment refers, imposing the duty on the Secretary of Agriculture in carrying out certain provisions of the program.

The gentleman from North Carolina raises a point of order on the question that the amendment is unconstitutional—on the grounds of unconstitutionality. Of course that is a matter on which the Chair does not pass. That is a matter for the Committee to determine and, therefore, the Chair overrules the point of order.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I repeat the argument I have just submitted. I am in sympathy with the objectives sought to be accomplished by the gentleman from Mississippi. I agree that we should have a strong program for cotton, and all other surplus commodities, but it seems to me—and this should be clear to all Members in this House—that this is an unwarranted and unconstitutional delegation of power. We have no right to say to any human being that you can suspend this law and the operation thereof until the Secretary of Agriculture has determined that he—the Secretary of Agriculture—is carrying out a law design-

nated as the Export Sales Act of 1956. This is a clear indictment of the Secretary of Agriculture. Maybe he should be indicted, but this is no way for us to indict him. We put him in charge of every one of these acts and tell him to carry them out. Then we let him determine whether or not he will or will not carry them out. He writes to the Speaker and says "I am going to put this new law in effect." How could you litigate that? How could you take it into the courts and determine who is right or wrong? I do not think the Secretary has done all he could to dispose of these surpluses, and I think that is the general opinion in this House. All of us agree that when he intensifies his efforts the surpluses move.

Mr. WHITTEN. May I suggest to the gentleman, where the record is so clear that when the act is not carried out, foreign acreage increases and when we sell cotton competitively as required by the act, foreign acreage is reduced—and since the Chair has ruled that the amendment is in order, I respectfully suggest that the gentleman, being in sympathy with the intent of the amendment, and the gentleman being chairman of the committee, and will doubtless be in charge of the conference, I would respectfully suggest and hope that the chairman would accept the amendment and that he carry out the intent of the amendment in such language as may please him.

Mr. COOLEY. How could you expect I would accept an amendment that I know is unconstitutional? I respect your purpose, and I will fight for it. I have been fussing with the Secretary for failure to dispose of these surpluses.

Mr. WHITTEN. May I say to the gentleman the Chairman has ruled that the amendment is in order.

Mr. COOLEY. The Chairman has not ruled that it was or was not unconstitutional. He stated that the amendment is a matter for the House to pass on, that is, its constitutionality.

Mr. WHITTEN. Does the gentleman say he is unwilling to go to conference and work that out?

Mr. COOLEY. I am not going to take an unconstitutional amendment into conference.

Mr. WHITTEN. Personally, I do not agree with the gentleman, nor does the Chairman. However, I do agree it is hard to keep up with the Constitution from day to day these times.

Mr. COOLEY. I agree with the gentleman, but I still think this is unconstitutional.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. JONAS. What is the long-range effect on our effort to maintain one-price cotton?

Mr. COOLEY. The farmers would never know whether the law was in effect or not, because at any moment the Secretary could make some determination that the old law is here, and we would go back to the two-price system. You might as well just repeal the law.

Mr. JONAS. This is a vote in an effort toward elimination of one-price cotton?

Mr. COOLEY. I think the gentleman is right.

Mr. GATHINGS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Mississippi. He is exactly right when he says that as soon as the Department of Agriculture announces a specific price for cotton, well in advance of the time that the cotton is to move into export, this is a clear invitation to our competitors abroad to grow more cotton.

It is a clear invitation to our competitors abroad to lower their prices just under the price designated for American export cotton. That is exactly what has been done in the past and that is one of the principal reasons, I will say to the members of this committee, for us being in the dilemma that we are in at this particular time.

We have on hand at the present time 14,200,000 bales of cotton—too much cotton, entirely too much cotton. But now let us not say the farmer is altogether responsible. He is responsible to a degree—that we have such a large surplus stock of cotton. Let us not overlook the fact that the 1956 act has not been carried out by the Department of Agriculture as they should have carried it out.

In this particular field right now, the forecast for 1965 exports is only 4.2 million bales of cotton although the Department of Agriculture had estimated earlier 4.5 million bales would go into foreign markets. We ought to be getting 6 to 7 million bales movement of cotton into export channels.

I call your attention to page 32 of the report where the figures are shown on cotton exports since the passage of the 1956 act. This act said this to the Department of Agriculture—"Sell into export channels at competitive prices." That is what we directed them to do—to sell competitively.

Now after the passage of that act in 1956, 7,540,000 bales of cotton moved into export during that year.

In 1957, 5,707,000 bales moved into export.

In 1958 it dropped off to 2,766,000 bales.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me at this point?

Mr. GATHINGS. I yield to the gentleman.

Mr. WHITTEN. It was in that year, 1958, that they refused to carry out the law and that is what happened in 1958.

Mr. GATHINGS. It was knocked down and the average for that particular year of 1958 was 2,766,000 bales that went into export. Then they did move upward after the gentleman from Mississippi pressed hard to get results at that time as I recall—I commended him for his splendid services to the cotton industry. They came up in 1959 when 7,178,000 bales moved into export.

Now let us see what has happened in recent years:

In 1960, 6,625,000 bales moved into export.

In 1961, 4,908,000 bales.

In 1962, 3,348,000 bales.

In 1963, 5,661,000 bales.

In 1964, 4,500,000 bales.

Mr. Chairman, the reason I am giving you these figures is that when the act was passed in 1956 and in the first few years thereafter, we moved quite a lot more cotton into export than we have in recent years under the policies of the present administration in the Department of Agriculture. There have been 1,407,000 bales more on the average moving during the first 5 years of the program since 1956 than were sold in the last 4 years under the present Secretary of Agriculture. So I do support the gentleman from Mississippi on this amendment and I trust that the Committee will agree to it.

I would like to insert an article written by Gerald L. Dearing, cotton editor of the Memphis Commercial Appeal, on this subject, dated July 28, 1965. The article follows:

COTTON COMMENT: FREEMAN INDICATES INTENTION TO DO NOTHING TO PUSH FOR COTTON EXPORTS DURING THE 1965 MARKETING YEAR

(By Gerald L. Dearing)

By forecasting that 1965 exports will be only 4.2 million bales, Secretary of Agriculture Orville L. Freeman has indicated that he has no intention to press for greater export markets in the new crop year.

He implies that the unrealistic pricing policies of the CCC stocks will be continued. This is a policy which fails to make cotton competitive in world markets, in spite of the provisions of section 203 of the Agriculture Act of 1956, which requires the sale of cotton in export at world prices and insists that the United States retain its share of world markets.

Most of cotton's problems today can be traced to the failure of the USDA to offer cotton in export at competitive prices, making the United States the residual supplier in world markets and not a true competitor.

Had the United States maintained its full share of world markets since the act of 1956, there would not be the 14.2-million-bale stocks on hand; supplies would be within a manageable range and there would be no need for the proposed curtailment of acreage contemplated in the new legislation and reiterated by the Secretary in his Monday press conference.

The State Department must share the responsibility. It fought the act of 1956 even to the floor of the Senate. It has done all within its power to prevent the competition of American cotton in world markets, where it would vie with the cottons from the emerging nations.

The State Department has distributed the market potential around the world by encouraging the growth of cotton in other lands in order that they can earn dollars in world markets. At the same time it has been obliged to supply these same countries with grains so that their people will not starve because potential grainland has been diverted to cotton.

The export market has been the life blood of the cotton industry ever since it was founded. It cannot survive wholly on the needs of the domestic market.

The Freeman jockeying of prices of CCC stocks has reduced exports as effectively as the embargo placed on the shipment of cotton during the Korean war.

Mr. HAGEN of California. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. RESNICK. Mr. Chairman, will the gentleman yield so that I may make an inquiry of the chairman.

Mr. HAGEN of California. I yield to the gentleman for the purpose of propounding a question to the chairman of the Committee on Agriculture.

Mr. RESNICK. Mr. Chairman, up to this point we have had unlimited debate on all titles. My inquiry is, are we to continue to have unlimited debate on all the titles of the bill?

Mr. COOLEY. That is a matter that the committee will determine. After this amendment is disposed of, I understand the gentleman from Texas [Mr. CASEY] has an amendment and then we will probably be finished with this title of the bill.

Mr. RESNICK. The question I asked, Mr. Chairman, is with reference to my amendment to title VII and as the distinguished chairman knows, I intend to offer an amendment to that title.

Mr. COOLEY. I assure the gentleman he will not be cut off.

Mr. RESNICK. Do I have the gentleman's assurance that I will be able to have time to discuss the amendment?

Mr. COOLEY. Yes, sir.

Mr. RESNICK. I thank the distinguished chairman of the committee and thank the gentleman from California for yielding.

Mr. HAGEN of California. Mr. Chairman, I would like to speak in opposition to this amendment. As you have become aware, it is impossible to talk about cotton without a great deal of recrimination because of these various area interests.

In the effort to arrive at a cotton program, the chairman of our committee, the gentleman from North Carolina [Mr. COOLEY], the Secretary of Agriculture and many other people from the cotton industry have met and attempted to arrive at solutions to the cotton program.

Now, the Mississippi group and the Arkansas group, which have been getting along pretty well with release and reallocation, whereby they get most of the acres they want to plant, do not really want any kind of a program, except a directive to the Secretary of Agriculture to dump more cotton abroad.

I understand that administratively this is quite difficult. Furthermore, it has international repercussions, because there are other nations engaged in the selling of cotton, and it is not our policy to drive the world price of cotton down to nothing.

So there are good reasons for the policy of the Secretary of Agriculture.

But the only alternative to the present situation that the Representatives of Mississippi and Arkansas have offered is a directive to the Secretary to dump more cotton abroad at a loss. Believe me when I say that every pound of cotton we sell abroad costs the U.S. Government some money.

The alternative is the bill we have before us, which will reduce production, somewhat compensate the farmers for their reduced production, and save the Government money in storage costs and all the other costs of handling an excess supply of cotton.

I submit that this is a much better program than that offered by the gentleman from Mississippi, and I would respectfully ask you to defeat this amendment and to defeat all other amendments to this bill which might be offered hereafter, because I believe we have a good program which does justice to all segments of the cotton industry across the country.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I point out, if the gentleman will permit, that this is not a substitute for the bill, but imposes a condition precedent for the bill to be effective. The condition, of course, is only to carry out existing law. Existing law says that we shall sell to the limit of our historical share. All the amendment provides is that we use that law, which would give the present bill a better chance to work.

Mr. HAGEN of California. I understand that.

Mr. WHITTEN. So it is not a substitute. It merely says, "Carry out the existing law, and then you can carry out the new one."

Mr. HAGEN of California. The gentleman is aware that there are larger world supplies of cotton available now than there were at the time this so-called historical share was established. In effect, this is asking the Secretary to dump all of the cotton he can at some great cost to our Government.

Mr. WHITTEN. Not an unlimited amount, only to the point of our historical share.

Mr. HAGEN of California. I would trust the judgment of the Secretary of Agriculture, of the economists in the Department of Agriculture, and of the economists in the State Department as to what is a fair policy of disposal of our cotton abroad.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from Georgia.

Mr. LANDRUM. The gentleman from Mississippi is correct. This is not a substitute for the bill; it is just a provision within the bill that will nullify it and kill it. One price cotton is destroyed if the amendment by the gentleman from Mississippi is adopted.

Mr. HAGEN of California. That is correct.

He would say that if the Secretary of Agriculture does not do certain things the bill is inoperative. As the gentleman pointed out, this is in effect a delegating of authority to make this bill operative to the Secretary of Agriculture, under some compulsion from the Congress.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield further, I do not believe there is anything unfair in saying that a bill shall be operative if the Secretary carries out existing law. If there is anything unfair about that I should like to have it pointed out.

Mr. HAGEN of California. In the first place, we do not know whether the Secretary will have money to carry out exist-

ing law. Perhaps you gentlemen will not provide him with the money.

Mr. WHITTEN. What we want to get is the money. We have the cotton. We are trying to have the Secretary get the money for it. The law says he should. Of course our committee can deal with the problem when it comes to us.

Mr. HAGEN of California. There is a certain amount of money involved in these sales, in addition to the cotton.

I would ask the membership to defeat this amendment and all other amendments, and then we can proceed to the other sections of this bill sometime before midnight.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

I seek to clarify what is involved in this amendment offered by the gentleman from Mississippi.

First, as to the effect it might have on the cost of the cotton program, I understand that our level of Government holdings of cotton is presently near an all-time record. I see nothing in the present language of the cotton title before us which gives us assurance that this level will go down. As I understand the effect of the gentleman's amendment, it would definitely give us assurance and would give the taxpayers some hope of converting these holdings to cash.

Mr. WHITTEN. It definitely would. The Commodity Credit Corporation has the right to use funds that it gets from sales to carry on its operations. If, for the last 4 years, the law had been carried out, as I pointed out earlier, we would have about 5 million bales of cotton less on hand and have half a billion dollars more in the Treasury.

Mr. FINDLEY. Can the gentleman estimate the total effect of this amendment on the cost of the program? In other words, would it increase the cost of the cotton program or reduce the cost?

Mr. WHITTEN. In my opinion, it definitely would decrease it by the tune of about a half a billion dollars, because you would get that much cash out of surplus cotton you have on hand now. However, in the overall, I am like the gentleman. I cannot tell what the rest of the bill will cost. I am unable to estimate.

Mr. FINDLEY. Does the gentleman feel this amendment would force on the taxpayers of the United States any additional expense in the form of export subsidies in subsequent years that would not otherwise apply?

Mr. WHITTEN. I do not think so. In my opinion, it would mean you would just get that much more money out of cotton for which you now have to pay storage.

Mr. FINDLEY. Assuming the Secretary makes an adverse determination and makes inoperative this proposal, am I correct that the cotton program would then revert to the 1958 law?

Mr. WHITTEN. I will have to say that in my opinion the Secretary would go ahead and carry out the law. Speaking for myself, it is my belief that one of the reasons why the Secretary has failed to carry out existing law to maintain our historical share of the world markets for

cotton has been because the law for the last 2 years said that if he were to accept bids on cotton at a reduced level he had to reduce the prices to the domestic mills in the same amount, which would triple losses. It has been true under this law, and since it costs that much money to the Corporation or represents that much loss to the Corporation, he let this requirement dangle and did not carry it out. If this amendment is adopted, he would start immediately, in my opinion, to move that much cotton which we have in the world trade at competitive prices and it would be in the interests of everybody.

Mr. FINDLEY. Am I correct that the sales policy of the Commodity Credit Corporation caused the planting of cotton abroad to a greater extent than would have been true otherwise?

Mr. WHITTEN. It not only invited it, but it permitted it and the result has been actual movement of cotton acreage abroad. If you look to the cotton sections now, you will see Americans are going into other countries and using American know-how and machinery in order to produce cotton which otherwise would be produced here in this country if the Export Sales Act was carried out.

Mr. FINDLEY. Am I correct in assuming that the American cotton farmer is not today getting his proper share of the rising world demand for cotton?

Mr. WHITTEN. That is correct. If the Secretary fails to sell cotton then it is on hand and is counted by the Secretary in order to scale down acreage in the United States. So you are losing both ways. Not only are you not exporting the cotton but the Secretary then counts it and uses it to recommend reductions in U.S. acreage.

Mr. FINDLEY. I thank the gentleman and urge support for his amendment.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is a good deal of confusion among the Members as to the effect of this amendment. With all deference to those who have expressed views against it, this is a good amendment for American agriculture and for the taxpayers of this country. It will not do the slightest injury to those who want one-price cotton, and I want it as much as you do.

Now, what is this about? Back before the days of this amendment to which the gentleman from Mississippi [Mr. WHITTEN] referred, the amendment to the 1956 act, back before that period, cotton was stacking up in warehouses just as it is today. The reason why it was stacking up is because those who have charge of that stored cotton were refusing to sell it at competitive prices in the world market. The longer they refused, the larger the stocks became. Along came the 1956 amendment and immediately those who had control of the cotton in Government stocks moved into the foreign markets and started selling cotton competitively. And we got out of the hole we were in; not completely, but substantially. And we began to see daylight again.

In a few years we lapsed again to the old policy of not selling competitively. And this is why we are in this hole. This

is the reason for 14 million bales of cotton being in the warehouses of this country today. This is the reason we have this big surplus of cotton, and which could and should be sold. Uncle Sam just continues to keep it in the warehouses, leaving much of our share of the foreign export market to our competitors.

You know, there is a warehouse lobby in this country, too. Believe you me, they do not want that cotton taken out of the warehouses. They are collecting plenty of good rent, and do not forget it. Those who fear the most the passage of this amendment are those who are the custodial storers of the cotton and some of them are getting filthy rich on it.

What do you want to do with it? Do you want to let it just rest there? Is it your view that the Federal Government should continue to pay rent on the space which this cotton is now occupying? Or do you want to approve this amendment and get it out of there?

I think the Secretary wants to sell this cotton in the world market. I think I know why he is not so doing. And I am not alluding to the White House, but I am alluding to some in the State Department who just do not want American cotton moving out in competition with producers of cotton in other countries. Now, I might agree with their position if—and I want you to follow me—if, we were getting our normal share, our fair share, our historical share of the export market.

There is not a single member of this House who knows anything about the history of the American export of cotton who will take the floor now and say we are getting our share. If he is here then I wish he would now rise.

Since he has not risen it must be conceded that we are not getting our share.

This amendment is good for everybody; this is good for every taxpayer; this is good for every textile mill; this is good for every cotton farmer in America, large or small. All we ask is this: "Mr. Secretary, you start selling this cotton—not dumping it, but just selling it competitively—and when you reach a level of selling that is equivalent to our normal historical share, which could be done within 24 hours, then this law will take effect." That is all this amendment does.

Now, what do you want to do? Seriously, what do you want to do? Do you want to leave those 14 million bales of cotton down in these warehouses and let these warehousemen pile up the rent money, or do you want to put this cotton in the world market, let it be sold, get our money out of it, and put it back in the Federal Treasury?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. COOLEY. The gentleman admits that if the amendment is adopted, Congress would be delegating power to the Secretary to suspend the operation of the law and put it into effect whenever he determines that it shall go into effect?

Mr. ABERNETHY. There is a line in every paragraph of this bill conveying authority to the Secretary, "The Secretary shall determine this," "The Secretary shall determine that."

(Mr. ABERNETHY'S time having expired, he asked and was given permission to proceed for 2 additional minutes.)

Mr. COOLEY. Mr. Chairman, has the gentleman ever known any law, the operation of which is contingent upon a determination by somebody downtown?

Mr. ABERNETHY. Yes, sir. There is nothing unusual about that. You have such in this bill.

Mr. COOLEY. We have a right to delegate that authority?

Mr. ABERNETHY. Yes; we are delegating such authority in this very bill.

Mr. COOLEY. I want to say to the gentleman from Mississippi that you know and I know, all of us want to get rid of this surplus cotton, and I agree with all of the urging and prodding by the Congress to force the sale of it if we can. But I do not want to indict the Secretary of Agriculture and question his integrity or motives.

Mr. ABERNETHY. If I thought this was a matter of questioning the integrity of the Secretary of Agriculture I would not be in the well of the House, I can assure the gentleman of that fact. I am simply trying to remove the shackles from him that have been put there by a silly foreign policy which will not allow him to sell the cotton competitively.

I would like to ask my friend from North Carolina this question: Do we have 14 million bales of cotton in storage?

Mr. COOLEY. Yes, sir.

Mr. ABERNETHY. Are we getting our share of the world market?

Mr. COOLEY. I doubt it very much.

Mr. ABERNETHY. Let us not have a half answer.

Mr. COOLEY. I agree with the gentleman that perhaps we are not.

Mr. ABERNETHY. This is a proper and effective means of getting it.

Mr. COOLEY. I do not want to get rid of it in this way.

Mr. ABERNETHY. It is pretty hard sometimes to influence the sale of it the easy way. Therefore we have to resort to extraordinary measures.

I urge adoption of this amendment. I believe the Secretary would welcome it.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. JONAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the argument of my friend, the distinguished gentleman from Mississippi [Mr. ABERNETHY], sounds plausible. No one in this House would attempt to justify continuing to carry 14 million bales of cotton in the warehouses of this country, without making an effort to get rid of it.

But, Mr. Chairman, the whole burden of the gentleman's argument is based upon the theory that all we want to do is get rid of this 14 million bales. However, that is not all this amendment would do, if adopted.

The amendment is prospective. It goes beyond getting rid of the 14 million bales. It would apply to future surpluses that may be built up during the next 4 years and this Government is

going to have to continue to pay export subsidies in order to get rid of it in the world market.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield to me?

Mr. JONAS. Just a minute.

Mr. Chairman, are we going to get in the position of producing cotton just to export it, even though we have to continue to subsidize it, since it cannot be grown at the world price?

Mr. ABERNETHY. Mr. Chairman, if the gentleman will yield, the gentleman is assuming that there will be surpluses next year and the next and the next, in spite of the enactment of this bill.

Mr. JONAS. I am saying that the amendment would apply if surpluses continue to be built up.

Mr. ABERNETHY. May I ask the gentleman another question? If the surpluses do build up and if the cotton does go into storage, what is wrong with having this amendment to direct the Secretary of Agriculture to sell it in the world market at competitive prices?

Mr. JONAS. I would say this—and the gentleman's colleague from Mississippi has made the point crystal clear—the law already requires the Secretary to do this.

Mr. ABERNETHY. No.

Mr. JONAS. How many laws do we have to pass?

Mr. ABERNETHY. The law says that he shall sell it at competitive prices; that is, unless—

Mr. JONAS. But you say he is not following the law.

Mr. ABERNETHY. I do not think he is and I think I know why and I think the gentleman from North Carolina knows why.

Mr. JONAS. I do not think it ought to be necessary for Congress to pass a subsequent piece of legislation to tell the Secretary of Agriculture that he must comply with existing law.

Mr. ABERNETHY. May I ask my friend from North Carolina this question? With all of this cotton stacked up, does the gentleman think that directing the Secretary to sell it in the world market at competitive prices, the gentleman does not think that is good law?

Mr. JONAS. Not unless domestic mills are given the same opportunity—otherwise the foreign manufacturer gets too great an advantage over our own mills. I will certainly agree that cotton in a storage warehouse does not do anyone any good unless it is the warehouseman.

Mr. ABERNETHY. That is right.

Mr. JONAS. You cannot eat it.

Mr. ABERNETHY. That is right.

Mr. JONAS. It has to be manufactured before it does any good for anyone.

Mr. ABERNETHY. That is right.

Mr. JONAS. I would remind my friend from Mississippi that the best customer of the American cotton grower is the domestic textile industry.

Mr. ABERNETHY. That is right. There is no objective here to take any cotton away from him. You have already assumed, I will say to my friend from North Carolina, that even under this bill there will still be a surplus.

Mr. JONAS. But under this amendment you would give the Secretary discretionary power to decide whether this provision becomes effective or not, and I agree with my friend the gentleman from North Carolina [Mr. COOLEY] that we should not put ourselves in that position. He might not decide to implement this bill and then we would revert to two-price cotton.

Mr. ABERNETHY. I will say to the gentleman that I understand the gentleman's interest, which is the textile industry, as well as his other constituents. I can understand the gentleman's concern about that, that he does not want anything done to hurt them. But so help me, I do not think there is the slightest possibility of this amendment injuring a single textile mill in America.

Mr. JONAS. May I say to my friend from Mississippi that I not only represent some people who work in cotton mills and derive their living from that industry, but I represent a lot of cotton-growers, and they are anxious to see the textile industry remain in a healthy condition, because that is the only way they can sell their cotton.

A prosperous textile industry gives the grower the best opportunity to dispose of his cotton. I think the best interest of the cottongrowers in the United States is tied in with that.

Mr. ABERNETHY. If the gentleman wants to get rid of the surplus crop, this is one way of doing it. If the gentleman has something else, I will go along with it.

Mr. JONAS. If you will continue the one-price system you will get rid of it because the mills will increase their consumption of cotton if we keep the price competitive and stop subsidizing their foreign competitors.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the cotton section of this bill close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. JONES of Missouri. Mr. Chairman, I object.

Mr. YOUNG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I represent a large cotton-raising area in the State of Texas, and I rise for the purpose of asking the distinguished chairman of the Committee on Agriculture the following question:

My area has a special interest in the well-recognized skip-row method. Is there anything in this bill or in this section that prohibits that?

Mr. POAGE. I think I can answer the gentleman's question.

The Secretary appeared before the committee and told us that if this bill were not passed it would be necessary for him to use the authority which he believes he has in connection with skip-row, and I do not pass affirmatively or negatively on his authority but he claims the authority, and he says he would have to use that authority to further restrict or limit the skip-row practice simply because it is something he can limit. If this bill is passed it seems very clear that

the contingency which he mentioned will not have arisen. It was the thought of the committee that he would not use any authority or attempt to use any authority to limit skip-row planting.

Mr. YOUNG. I thank the gentleman.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I thought I knew something about farming and some of the descriptive words used in connection therewith, but do I understand it is "skid row," "skip rope," or what is this I have just heard?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. POAGE. Skip-row planting, which is primarily—

Mr. GROSS. I thank the gentleman. I get the message, and I thank the gentleman. I wanted to be able to translate that to the cotton farmers of Iowa.

Mr. Chairman, I do not know whether I will live long enough—and I doubt that very much—to see the House Committee on Agriculture or some committee of Congress bring a bill to the House floor that will have real meaning for the farmers of this Nation.

We have had a long experience with these farm programs and through the years the farmer has never been able to obtain his fair share of the national income. Meanwhile, these farm programs have been costly to the taxpayers of this country. I am not now advocating the abolition of supports for agricultural commodities since practically all other industry, business, and labor is subsidized directly or indirectly. Let me recall a few figures for you, and the source of these figures is the Economic Report of the President issued in January 1965. All of you get a copy of it and I am sure all of you have seen it.

In the 5-year period of 1946 through 1950 the income of farm operators averaged each year \$15,100 million. That was out of a national income for the same period averaging \$212,400 million per year.

Now I said that was the national income. I did not say gross national product because that gross national product is in part a phony. I am talking about the national income.

As for that 5-year period, the income of farm operators averaged \$15.1 billion.

For the next 14 years what happened? And remember you have been bringing these farm bills here year after year claiming each one would be the economic salvation of farm producers.

From 1951 through 1964—a period of 14 years—although the national income increased by billions of dollars, and I can give you the figures for it—from 1946 through 1950 the national income was \$212,400 million but for the next 14 years—1951 through 1964—the average per year national income was \$337,100 million. That is a real increase. But what happened to the farmer during the last 14 years?

For the 5-year period, 1946 through 1950, as I previously related, the average yearly farm income was \$15.1 billion. For the next 14 years what was the average per year? It was right at \$13 billion. In other words, it has gone down, not up.

As to the national income increase, let me give you another figure or two. In 1951, the national income was \$279,300 million.

In 1964, the national income was \$509,800 million.

In other words, here we have nearly a doubling of the national income while farm income went down during those same years. I ask again—why have you not come in which a program that will help the farmer?

How have these inequities been met? Let us take a look at the Federal debt. The Federal debt is up now to around \$320 billion, and that is one of the ways by which these programs have been paid for.

You might take a look, too, at the farm debt. In 1946 the farm debt of this country was \$7,600 million. The Economic Report of the President shows that at the end of 1964 the farm debt was \$36,800 million. In other words, the farm debt has more than quadrupled. That is how many farmers have remained in business—they have gone deeper and deeper into debt despite the outpouring of money from the Federal Treasury.

Mr. Chairman, I reiterate that the farm programs of the past have not provided economic justice to the farmers and no amount of sophistry will change the facts. While the income of the Nation's farmers was going down, despite a huge increase in national income, the costs of almost everything farmers must buy was going higher and higher. These facts are contained in this Economic Report of the President and cannot be challenged.

In my opinion these farm bills constitute a deliberate attempt to put American farmers on a world price level. Ultimately, when the Federal Treasury is swept clean and the capacity to borrow is gone, disaster will ensue.

This pending bill is bad in that it again holds out false hope to those who have been penalized for too many long years. I refuse to be a party to further deception of the American farmer.

Mr. GARMATZ. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as one of the sponsors of the Cargo Preference Act of 1954, more commonly known as the 50-50 act, I would like to take this opportunity to remind the Members of the House that some of the agricultural commodities for which we are making provisions in this bill now being considered will be shipped abroad under our AID programs paid for by American taxpayers.

As you know, the 50-50 law requires that at least 50 percent of these shipments be made in American vessels when they are available.

In view of the depressed condition of our merchant marine over the past few years, certainly there will be no difficulty

in making the tonnage available for this purpose.

In the past some Government departments have done everything possible to circumvent the 50-50 law and one of the chief offenders has been the Department of Agriculture.

Therefore, I believe it is advisable to remind the Department of Agriculture that while we are willing to subsidize the American farmers, because they are entitled to the same assistance from the Government as other segments of our population and because they are vitally important to our Nation, the American merchant marine is equally vital to our country and is equally deserving of our support.

I strongly urge that the Department of Agriculture take note of this and be governed accordingly in making future shipments of commodities under our Government subsidized program.

Mr. MINISH. Mr. Chairman, I rise in support of the eloquent remarks made by our distinguished colleague from Maryland [Mr. GARMATZ] in behalf of the Cargo Preference Act.

The national interest demands that we adopt the pending amendment that is designed to help insure a strong American merchant marine. Surely, the requirement that at least 50 percent of Government-generated cargoes move on U.S.-flag vessels is a modest stipulation that should need no defense. It is most regrettable that the failure of the Department to comply with the cargo preference law necessitates writing this explicit requirement into the farm legislation and thereby safeguarding the interests of our merchant marine as well as the interests of the farmer. I urge favorable action on the amendment.

Mr. HALPERN. Mr. Chairman, most pertinent to the bill we will vote upon today, is the crucial issue of the percentage of exported farm products to be shipped on American-flag vessels.

Section 910(b) of the Cargo Preference Act requires that at least 50 percent of Government-generated cargoes be transported on American ships. There is considerable evidence that this legislative mandate is not being accorded support by the Department of Agriculture. I want it to be clearly understood that this 50-percent requirement represents a minimum, not a ceiling—and a minimum which must be met.

Unless our merchant fleet receives the full support of our Government it will wither, and this would be perilous for our national security. If we intend to maintain our strong posture in international trade, we must have a thriving merchant fleet. This is possible only if the Department of Agriculture adheres to the letter and spirit of the Cargo Preference Act, and gives our ships their due proportion of our agricultural exports.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Pennsylvania.

(Mr. BARRETT asked and was given permission to revise and extend his remarks.)

Mr. BARRETT. Mr. Chairman, earlier this week I received a number of telegrams from important labor organizations in the Philadelphia area who are concerned over the preservation of the American-flag merchant marine. It was their unanimous request that I not support the Food and Agriculture Act of 1965 until the future of the American-flag shippers was definitely established and assured.

Under Public Law 480 at least 50 percent of the Government cargoes were to be carried by our U.S.-flag vessels. This was the minimum and the intent of the Congress. We have, however, been informed that last year our American ships carried only about 38 percent of these cargoes.

I hope and feel confident the Department of Agriculture will remedy this situation in order that our American-flag service will be given a greater percentage of these cargoes in the future.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Missouri.

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mrs. SULLIVAN. Mr. Chairman, I join in the remarks of my colleague from Maryland [Mr. GARMATZ] asking that the 50-50 program be used to its fullest extent. If we are to maintain an adequate U.S. merchant marine, we must use the ships sailing under the U.S. flag to their fullest extent and capacity.

Mr. BYRNE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Pennsylvania.

Mr. BYRNE of Pennsylvania. I should like to associate myself with the remarks of the gentleman in the well, the distinguished gentleman from Maryland [Mr. GARMATZ], who is acting chairman of the great Committee on Merchant Marine and Fisheries.

Mr. Chairman, at least once each year those of us who regard an American merchant marine as vital to our country's welfare are confronted with the necessity of answering the attacks of the Department of Agriculture. That Department takes the position that any attempt to safeguard our ships by providing for reasonable rates is detrimental to its efforts to expand sales of farm products to Communist countries.

Each year we are asked to authorize large subsidies for our American farmers on the ground that they require Government help to produce the foods necessary for our existence. We encourage overproduction and then seek to penalize another group of our workers in order to dispose of a part of it. I know we need farmers and that we must do whatever is necessary to encourage them to exist and make a living. But equally, we need ships and the men that man them both for the needs of our commerce and of defense.

Every time someone in the executive branch makes statements that we should plow under our merchant marine, there occurs a Cuba, a Lebanon, a Korea or

a Vietnam to demonstrate the fallacy of his position.

How can we assure a supply of ships to maintain our commitments around the world if we do not afford a living wage in the form of adequate freight rates? Maximum cost of our Cargo Preference Act is about \$80 million per year, not even a small fraction of what we pay our farmers.

I am not taking the position that we should stint our farmers but I do say that it ill becomes one who is a big beneficiary of Government assistance to attack another who receives a little help from the same source.

We need our merchant marine—where would we be today in supplying our effort in Vietnam without it?

(Mr. BYRNE of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. DANIELS. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from New Jersey.

Mr. DANIELS. Mr. Chairman, I should like to associate myself at this time with the remarks of the gentleman from Maryland [Mr. GARMATZ], the ranking majority member of the House Merchant Marine and Fisheries Committee, and the many other Members of this House from all parts of the Nation who have expressed concern over the flouting of Public Law 480, by the Department of Agriculture.

Mr. Chairman, the decline of the American merchant marine is nothing short of a national disgrace and in addition to the question of national security which is posed by this decline there is also the question of economic hardship for thousands of Americans.

The Cargo Preference Act states that 50 percent of all Government generated cargoes shall move on U.S.-flag vessels. Mr. Chairman, the Secretary of Agriculture has an affirmative duty to see that this law is carried out.

Mr. Chairman, I have the honor to represent a constituency which is included in the area known as the port of New York. We are worried, and with good reason about the general neglect of our port by the Department of the Navy. Recently, as you all know the great Brooklyn Navy Yard was ordered closed and this announcement was followed by the news that Todd's Shipyard on the Hoboken, N.J., waterfront would be the latest in a series of private shipyards to close its doors in the New York-New Jersey port.

Mr. Chairman, the American merchant marine is sick—there is no other way to describe it—and the ship building industry is hurting as it has never been hurt before.

Recently, the Federal Government reactivated two ancient Victory class cargo ships from the Hudson River Reserve Fleet to carry supplies to Vietnam. This decision proves beyond a shadow of a doubt that our merchant marine is in such condition that it is unable to supply our less than maximum military effort in southeast Asia. What will happen if the crisis does indeed escalate and our supply requirements soar?

The preference written into public law for American bottoms is important for a congressional district such as mine where we depend in large measure for our prosperity on our port facilities. But it is not as a New Jersey Congressman pleading merely for the economic interest of his district that I speak to you today. It is as an American Congressman seriously alarmed about the decline of one of our first bastions of defense that I speak to you today.

We must restore our merchant marine and it is essential that the Federal Government be made to play its part in this restoration.

American cargoes must be carried in American-flag vessels. And when we are shipping billions of dollars worth of agricultural commodities overseas, the Department of Agriculture must do its share by observing the spirit and the letter of Public Law 480.

(Mr. DANIELS asked and was given permission to revise and extend his remarks.)

Mr. FINO. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from New York.

Mr. FINO. I should like to compliment the gentleman from Maryland for making his views so well known on the floor of the House.

Mr. Chairman, I would like to take this occasion to express my very strong feelings regarding the need to shift a larger and greater portion of our agricultural export volume to American-flag ships.

It is very disturbing to know that although the Cargo Preference Act requires that at least 50 percent of all American cargoes should go on American-flag ships, only a fraction of that percentage has moved on U.S.-flag vessels.

I do not like the idea of excessive subsidies for agricultural produce whether exported or domestically consumed and I particularly dislike programs which combine agricultural give aways with a negative or nonchalant attitude toward affiliated American interests.

It is a matter of record that, until recently, American-flag ships carried only 22 percent of the cargoes under Public Law 480. It was only after congressional protest that this amount was increased to 38 percent. This is not enough.

I would like to make it crystal clear that I consider the 50 percent requirement to be a minimum requirement, not a permissible maximum. I hope that this House will make similar sentiments clear to the Secretary of Agriculture.

I further hope that this House will go on record clearly as urging the Secretary of Agriculture to ship the bulk of any farm products as shall be exported in American-flag ships. U.S. agricultural products should not be shipped in foreign-flag vessels in competition with our merchant marine. It is that simple.

(Mr. FINO asked and was given permission to revise and extend his remarks.)

Mr. FARBSTAIN. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from New York.

Mr. FARBSTAIN. Mr. Chairman, I wish to associate myself with the remarks made by the gentleman in the well. I strongly feel that the thoughts expressed by him should be followed by the Department of Agriculture. American bottoms should continue to be used in the shipping of American products; certainly to the extent of 50 percent insofar as foreign aided products are concerned. Unless American flag ships are used to this degree we will shortly wind up without a merchant fleet.

(Mr. FARBSTAIN asked and was given permission to revise and extend his remarks.)

Mr. DOWNING. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Virginia.

Mr. DOWNING. Mr. Chairman, I commend the gentleman for his statement.

Mr. Chairman, I am very grateful to the gentleman from Maryland for reminding us of the importance of our Cargo Preference Act to the American-flag merchant marine and I would like to commend him for his wisdom in working for the enactment of this law.

The American-flag merchant marine needs our help, Mr. Chairman. There are few industries in our Nation so beset with difficulties at the present time. The future of this vital industry is clearly dependent upon the Federal Government. We can legislate the American-flag merchant marine out of its depression or we can stand by here in Washington and watch a great industry decline to the vanishing point.

All of us have heard the American merchant marine described as the fourth arm of defense. All of us can recall the response of this great industry when our Nation has been involved in global conflict. I am convinced that the United States could never have attained its preeminence on the high seas without the vessels and the seamen that make up the American-flag merchant marine.

The gentleman from Maryland is dedicated to the protection and the preservation of our merchant marine and I join him in encouraging the Department of Agriculture to support our Nation's merchant marine fleet by fully complying with the provisions of the 50-50 act. I believe every department of the Federal Government should ship its commodities on American vessels to the maximum possible extent. I can think of only one justification for one of our Government's departments to ship its commodities on a foreign flag vessel. And that would be the unavailability of an American vessel.

I am convinced that the American people and the Congress of the United States expect a strong, vital merchant marine. I hope the Agriculture Department and all of the other departments will bear this expectation in mind.

(Mr. DOWNING asked and was given permission to revise and extend his remarks.)

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from New Jersey.

Mr. KREBS. Mr. Chairman, I wish to commend the gentleman from Maryland and to associate myself with his statement.

[Mr. KREBS addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. KREBS asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from New York.

Mr. MULTER. Mr. Chairman, I join with the gentleman in his comments.

I thank the gentleman from Maryland for yielding to me at this time.

I commend him for calling this important matter to the attention of the House and join with him and our many other colleagues in reiterating the principle that our Government must do everything within its power not only to maintain and preserve our merchant marine but to expand and strengthen it.

The Congress has repeatedly made known its intent in this respect. I am sure that the heads of all of the executive departments will take note of the remarks of our colleagues in this connection.

I am pleased to note that Secretary of Agriculture, Mr. Freeman, has indicated in letters to many of our colleagues that he understands the intent of Congress in this connection and that he intends to comply therewith both in spirit and in letter. The Department of Agriculture in the implementation of Public Law 480 is in a unique position to implement the congressional intent so that American ships will be used to the fullest extent possible in the transportation of American products. We have every right to expect that he and the heads of all other departments that can contribute to strengthening our merchant marine will exert their every effort in that regard.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Virginia.

Mr. HARDY. Mr. Chairman, I should like to commend the gentleman for his remarks and to associate myself with them.

[Mr. HARDY addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. HARDY asked and was given permission to revise and extend his remarks.)

Mr. LENNON. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from North Carolina.

Mr. LENNON. Mr. Chairman, I commend the gentleman from Maryland for his remarks and I associate myself with him.

I say to the gentleman that the Merchant Marine and Fisheries Committee should have the Secretary of Agriculture before it very soon to explain why he is not using this law.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Pennsylvania.

Mr. DENT. I want to join the gentleman. I say to him that I have worked out a proposal which I hope to present at the proper time, whereby the subsidies will be paid directly to shipping, so that the products of the United States will flow at world prices without any subsidies to growers, mills or anybody else, with the subsidy going to the shippers.

Mr. McGRATH. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from New Jersey.

Mr. McGRATH. I wish to associate myself with the gentleman in the well.

Mr. Chairman, I feel a provision should be placed in the agriculture bill which would set 50 percent as the minimum percentage of Public Law 480 foodstuffs which must be shipped in American bottoms.

In April 1962, President Kennedy issued a directive regarding the Cargo Preference Act which stated:

Section 910(b) requires that at least 50 percent of Government-generated cargoes move on U.S.-flag vessels. This requirement is a minimum and it shall be the objective of each agency to ship a maximum amount of such cargoes on U.S.-flag vessels.

Mr. Chairman. I note that last year, U.S. ships participated in the carrying of only 38 percent of these cargoes, which would indicate that some people in the Department of Agriculture take the position that the figure of 50 percent is meant as the maximum, not the minimum percentage.

I favor a thorough study of the actual practices involving our cargo preferences with a view toward insuring that the figure of 50 percent be considered the minimum requirement for shipping American cargoes in U.S.-flag vessels.

(Mr. McGRATH asked and was given permission to revise and extend his remarks.)

Mr. MORRISON. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Louisiana.

Mr. MORRISON. Mr. Chairman, I likewise wish to associate myself with the gentleman's remarks and to say that I am certainly in accord with everything the gentleman has said.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I compliment the gentleman, and I trust that all people interested will support the amendment, because my amendment will increase the shipment of cotton and will do a lot to increase the business for the shipping interests.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. GARMATZ. I yield to the gentleman from Texas.

Mr. CASEY. I wish to associate myself with the gentleman's remarks. I hope that the suggestion of our colleague, the gentleman from North Carolina [Mr. LENNON], will be followed with reference to a hearing in this regard.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending Whitten amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. YATES. I object, Mr. Chairman. The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I move that debate do now close on the Whitten amendment.

Mr. YATES. I merely wish to speak for 5 minutes, and I have been sitting here for 3 days. After this amendment is acted on there will be a flock of others to speak on the next title to the bill, and I still will not have an opportunity to be heard.

The CHAIRMAN. The question is on the motion made by the gentleman from North Carolina.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was rejected.

Mr. YATES. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. YATES. I thank you.

Mr. Chairman, I have been trying to be heard for a long time today. I have sat on this floor through the entire debate and I cherish these 5 minutes. I may not get time later to explain an amendment I will offer later. I take this time now to discuss the amendment which is not appropriate now, but will be appropriate as the last section of the bill. I take time now for two reasons: One, because by the time the last section of the bill is considered by the House, nobody is going to get a chance to talk on any amendment. Second, because the gentleman from California [Mr. HAGEN] urged that no amendments be accepted to the bill. He stated:

Let us vote down all amendments to this bill, no matter what they say.

I suggest that this is a closed-mind approach and we ought not to follow it at all.

Now, what is my amendment? It is simple. I propose to cut back the operative time for this bill from 4 to 2 years. It would apply to all titles of the bill. Why do I propose this? I propose this for a number of reasons.

I suggest, Mr. Chairman, that traditionally the farm bill is not the least controversial bill that comes before the Congress. As a matter of fact it is one of the most explosive bills we consider. It always provokes a donnybrook. In view of all the explosiveness that always surrounded the debate on this bill and which always follows farm bills, that this is the very reason why the next Congress ought to take a look at the farm bill. Many have come to me who have said, "Let us not consider this again in 2 years; let us do it in 4 years." I say to them that their suggestion has no merit. This is a bill which should have its results reviewed and reviewed seriously in the next Congress.

Secondly, Mr. Chairman, this is important. I am informed this is the first

comprehensive omnibus farm bill in 30 years which seeks to have a 4-year program, rather than a 2-year program. This is not the first time we are venturing into uncharted waters, but it is the first time we sail for 4 years instead of 2. I think we ought to look at this bill in the next Congress and decide whether this bill which will be passed today is a good bill or a bad bill.

Now, a few moments ago we heard the distinguished gentlemen who represent cotton-growing areas talk about the surpluses of cotton now in the warehouses—14 million bales. Can anybody on the committee tell me what the surpluses are likely to be in 2 years? Can you tell me what they will be in 4 years? Can anybody on the committee tell me what the surpluses are likely to be and what the costs are likely to be in 2 and 4 years? I say this to the chairman of the committee, I read the report of the committee and I read it most conscientiously. I did not find any reference or any estimate as to what the cost of this bill is likely to be at the end of the program. There is nothing in the report on that. Nobody knows what it will cost and we ought to know those costs.

We do know this: That with each farm bill more and more fertilizer is used, more and more crops are produced. It happens with each new bill and each new program. The same thing will happen under this bill. Well, should we wait 4 years before we look at what is happening under this bill? Should not the next Congress take a look at the programs and decide on the basis of facts—facts, not speculation—that this is a good program or is a bad program? If good, we will extend it for 2 more years. We should give the next Congress the opportunity of saying that these programs have or have not accomplished what we hoped they would do. The good Lord knows that the farm bills we have passed in the past, have not accomplished what we hoped they would do, and what the committee assured us they would do. Again I ask, would it not be a good idea to look at the program in 2 years and say that this is what we want for our program in the next 2 years?

Furthermore, Mr. Chairman, the administration requested a farm program for 2 years. The President's Executive message asked for extensions of the programs for a period of 2 years. It was the action of the committee itself which extended it for 4 years.

Finally, Mr. Chairman, in his message to the Congress last January, President Johnson recommended the establishment of a National Food and Fiber Commission and to assemble the finest minds in the entire country in the field of agriculture and in related fields to study carefully our food and fiber programs and make recommendations to the Congress. The Commission would be cognizant of the interests of the farmers, of the producers, of the manufacturers, of the consumers, of all segments of the national economy to make recommendations for a food and fiber program which would be for the best interests of our country. The next Congress could act upon the recommendations of that Commission.

I suggest that in 2 years the President will have organized that Commission. I suggest that in 2 years the recommendations of that Commission will be before the Congress. I suggest that it is the best of commonsense that we should limit this program to 2 years and let the next Congress take a look at it at that time.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. TEAGUE of California. Mr. Chairman, I should like to state that I shall support the amendment of the gentleman from Illinois when we get to the whole package approach. There are some things that I accept in the bill. Certainly we should look at it in 2 years. I hope I will be here 4 years from now.

I am a member of the Committee on Agriculture and I hope I will have some committee work to do during that time.

Mr. YATES. Mr. Chairman, let me say this further to my friend from California. I appreciate his remarks and his viewpoint, but I am quite sure I will support the bill.

An analysis of the bill by the Legislative Reference Service which I requested and which was furnished to me says this:

At best it appears probable that H.R. 9811 will only slightly decrease either Government stocks or Government costs. At best it appears probable that farm income will only be maintained at approximately current levels.

However—

And mark this, Mr. Chairman—

However, most alternatives to the program authorized in the five titles of this bill, if adopted at this time, would either lower farm income or increase Government costs.

Mr. Chairman, we do need imagination and reasonable alternatives. That is why the President's proposed Food and Labor Commission is so important—to chart new paths. That is why I believe a 2-year program is desirable. I will vote for the 4-year bill, I believe, because of unacceptable alternatives, but I would certainly feel better if a 2-year bill were approved.

Mr. RESNICK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, as much as I hate to disagree with my distinguished friend from Illinois I feel that I must at this time. While this bill certainly leaves something to be desired I believe all of us realize that any legislation that passes this body leaves something to be desired. However, this bill affects the lives and the plans of many, many small farmers, thousands of individuals. Some farmers have to delay their plans now until this legislation is passed.

If we have to go through this again 2 years from now it will cause a great deal more inconvenience and hardship to many, many farmers.

The administration felt that we would do best to have a 4-year term, and I agree with them.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I yield.

Mr. YATES. I thank the gentleman. I appreciate his views, but may I sug-

gest to the gentleman, as I stated in my original remarks, that the administration recommended a 2-year program originally to the Congress. The 4-year program is the committee's. Second, for those Members who have asked me why I did not offer an amendment at this particular time, my amendment will be to the seventh section of the bill and will be an across-the-board amendment relating to titles II, III, IV, and V, limiting those titles to a 2-year period. I shall offer that amendment at the appropriate time. The reason I spoke at this time is because I anticipate that I will not have sufficient time to speak at that time to explain my amendment.

Mr. Chairman, I thank the gentleman for yielding.

Mr. RESNICK. Mr. Chairman, I have to agree with the gentleman. I am in the same boat he is as far as title VII is concerned. I have an amendment that I hope to be able to offer at that time. I hope we will have as much time on that title as we have had on the cotton title.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. RESNICK. I yield.

Mr. EDMONDSON. I think the gentleman from Illinois has accurately stated that the administration originally recommended 2 years. I think it is also accurate that the committee in its judgment felt that a longer period was to the advantage of the farmers of the country and that it would be a sound thing to extend the period of this program to 4 years. It is not an accurate statement that at this time the leaders of the administration, including the Secretary of agriculture, are supporting the 4-year program and that this is an instance in which congressional thinking has been adopted by the administration as the best approach to the situation?

Mr. RESNICK. That is absolutely correct. As I understand, the Secretary and the administration enthusiastically support a 4-year bill.

Mr. COOLEY. Mr. Chairman, I wonder if we could not agree on a time limitation on title IV?

Mr. Chairman, I ask unanimous consent that all debate and all amendments to title IV be concluded in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. CASEY. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I move that all debate on title IV and all amendments thereto close in 30 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from North Carolina.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. CASEY].

AMENDMENT OFFERED BY MR. CASEY

Mr. CASEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASEY: Page 24, line 13, immediately before the period, insert "but the corporation may not store any agricultural commodity except pursuant to a contract entered into prior to the enactment of this sentence, or entered into thereafter on the basis of competitive bids."

(Mr. CASEY asked and was given permission to revise and extend his remarks.)

Mr. CASEY. Mr. Chairman, the gentleman from Illinois [Mr. YATES] was right. He gets his talk in before he gets cut off on his amendment that he is going to offer later.

Mr. Chairman, although I have been sitting here for some time—

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Texas.

Mr. POAGE. I yield to the gentleman my time.

Mr. CASEY. I thank the gentleman.

Mr. COOLEY. Mr. Chairman, will the gentleman yield to me?

Mr. CASEY. Yes, I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from Texas [Mr. CASEY] my time.

Mr. CASEY. I thank the gentlemen. I appreciate that. I am a little bit "cooler."

Mr. Chairman, we have been talking about planting cotton, raising cotton and trying to ship cotton, but we have been missing an important segment of this industry, and that is what happens in between, the storage.

Mr. Chairman, there was some reference while ago during the other debate about storage.

Mr. Chairman, the story on storage is that the CCC does not take competitive bids. They agree on a storage price. There has been no investigation by the CCC as to what will be a fair storage price.

We have now, as was stated a while ago, over 14 million bales of cotton. The business of storage is so good that the warehouses offer a rebate to those who place the cotton for storage.

Mr. Chairman, let me tell you a story of a particular bale of cotton. This bale was produced and a warehouseman said, "I will give a rebate to either the grower, if he is placing it in storage, or the ginner."

Mind you, Mr. Chairman, the GAO has a report here which states that three firms—just three firms—paid over \$3 million in 1 year in rebates.

Well, Mr. Chairman, this bale gets into storage and goes into the loan program. It is not sold by the farmer. He walks off and leaves it.

Mr. Chairman, then the CCC picks it up and pays the storage from the time it was first placed in that warehouse, without any credit for the rebate, and it stays there until the CCC then says, "Well, we are going to reconcentrate it."

At that point they usually ask for competitive bids. Mind you, in many instances the same warehouseman who has been storing it at 43 cents but on a competitive basis, he keeps it in there at a much lower rate. Since the taxpayers are paying this storage, let us require that they have competitive bids. I think in all fairness they should take into consideration the cost of transportation in determining whether a bid is low or not.

I have a warehouse along the coast down there, there are some in New Orleans, in Memphis, and other places. They will take cotton at less than 43

cents, and pay for the transportation at the same time. It is estimated conservatively it cost the taxpayers \$25 million a year extra storage costs because of no competitive bids.

This is one instance where we can put a little common business practice into a cotton program. If the taxpayers pay for storage from the time it is put in there, let us see that he gets the best price he can.

I urge adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. CASEY].

The question was taken; and on a division (demanded by Mr. CASEY) there were—ayes 35, noes 50.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I rise in support of this section of the bill. Like many other Members, I had reservations when we started. I would like to have more changes in the measure, particularly with respect to cotton, but there has been a compromise, and I compliment the chairman and the vice chairman of this committee.

Down in my district we like to think we could have 40-cent cotton and 10-cent beer. We cannot always have that, any more than we can have unlimited production and high price at the same time.

I think all sides have come together in a reasonable compromise, we in our district have been given some relief in release and reapportionment, and with respect to sale and lease.

All in all I think we have a good and fair compromise and I wish to support the measure. Again I compliment the chairman of the committee.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

(By unanimous consent, the time allotted to Mr. TEAGUE of California and Mr. HARVEY of Indiana was granted to Mr. MICHEL).

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 21, line 19, strike lines 19 through 24 and page 22, line 1, strike lines 1 through 17.

Page 22, line 18, change "(13)" to "(12)" and page 22, line 25, change "(14)" to "(13)".

Mr. MICHEL. Mr. Chairman and Members of the Committee, this amendment would strike the provisions of the bill that have come to be known as the snapback clause. As can be seen from a reading of the language of the bill, any future allotments either in size of payments to individual producers or in total expenditures of the Department of Agriculture on the cotton program would automatically trigger this provision into operation.

Mr. Chairman, language of this nature if left unchanged in the bill would mean that at no time in the future could the Committee on Appropriations take effective steps to limit what promises to be gigantic subsidies to corporate farm-

ers—or to limit the overall amount that the taxpayers of this country might wish to spend on this program.

In my opinion, this sets a very bad precedent. I understand that there is going to be offered an amendment by the gentleman from Illinois [Mr. YATES] which will cut the program from 4 to 2 years. But if we should fail on that and if it should be a 4-year program and this language is left in the bill, it means you can never in the next 4 years impose any kind of a limitation on an appropriation bill to fund this program.

I would remind Members that earlier in the year 71 of the Members on the Democratic side joined me in the so-called anti-Nasser amendment because we felt at that time that we ought to put Nasser and some other people on notice that what was going on was wrong. The only vehicle we had was on a limitation on an appropriation bill at that time. We got bipartisan support for it. Anticipating that in the future there will be requests for more and more money to fund these programs the Committee on Agriculture would not like to see us impose any kind of limitation in the future.

Mr. Chairman, I submit that this language ought to be stricken because it sets a bad precedent and we may very well see the day when our Appropriations Committee's hands will be tied completely in our efforts to hold spending within reasonable bounds.

Mr. Chairman, I have another amendment to offer and ask unanimous consent to reserve the balance of my time so that I may be recognized to offer my second amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

(By unanimous consent, the time allotted to Mr. LANDRUM was granted to Mr. MAHON.)

Mr. MAHON. Mr. Chairman, I thank the gentleman from Georgia for yielding me his time.

Mr. Chairman, this amendment which has been offered by the gentleman from Illinois is a very far-reaching amendment. It should be defeated. It would undertake to go through the bill and change the provisions which have been written in the bill for supports to farmers who participate in the various programs.

One of the problems involved in this bill anyway is the possibility of later amendments being adopted which would fix a limitation on the payment which could be made to any one farmer. Under the bill the amount of payment to farmers would differ with the different crops in different areas of the country and would be in relation to the size of farms and the production of the farms. Another factor would relate to the extent of participation in the program by the farmer. I submit to you it would be very damaging and wholly unjustified to strip the bill of the language which the amendment would eliminate. The bill, as written by the committee, pro-

vides that if a limitation is established, then the Secretary shall have the privilege of carrying out his commitment to the farmers through a loan program or a direct purchase program.

It seems to me, therefore, that it is most urgent that the amendment of the gentleman from Illinois be defeated and I do urge my colleagues to defeat this amendment.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I concur wholeheartedly in the statement made by the gentleman from Texas. The language placed in the bill by the Committee on Agriculture is for the protection of cotton farmers. I oppose the amendment and hope it will be rejected.

Mr. MAHON. I know the gentleman does.

I hope that this amendment will be voted down and that the provision in the bill as written by the Committee on Agriculture which the amendment would strike will remain intact.

I realize that limitation amendments may be offered to appropriation bills at a later time. I hope they will not be. Certainly, on this authorization bill, the field ought to be open to give everybody a fair opportunity, if he desires to do so, to participate in the program.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California.

Mr. SISK. I join with the gentleman in expressing the hope that the amendment will be defeated. The amendment, so far as I can understand and interpret it, would simply wreck this particular program.

I urge my colleagues to vote to kill this amendment.

Mr. MAHON. This amendment would affect all crops and would be most destructive of proper administration.

Mr. MICHEL. Mr. Chairman, will the gentleman yield to me?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. MICHEL. The gentleman will have to agree that in striking this language I am not seeking to "gut" the program. The program will be intact. The only reason for it is to retain for our Appropriations Committee a degree of flexibility to take appropriate action in the future if we feel it advisable. If the House does not want to go along, then so be it, but do not leave the record showing that I am "gutting" the program, because the mere striking of this so-called snapback clause will have no effect on the provisions providing price supports, direct payments, or anything else. It simply reserves for us in the future the prerogative our Appropriations Committee enjoys today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The amendment was rejected.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 29, line 20, strike out the words "in carrying out the provisions" and strike out lines 21, 22, and 23 and insert in lieu thereof the following: "There are hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions of this section."

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

(By unanimous consent, Mr. FINDLEY yielded his time to Mr. MICHEL.)

Mr. MICHEL. Mr. Chairman and Members of the Committee, this amendment would merely strike out three lines at the bottom of page 29. It would change the method of financing the proposed purchase of cotton allotments by the Government.

As the bill is written, the Secretary could use CCC stocks and funds to buy cotton allotments from farmers who no longer desire to grow cotton.

If such a policy is desirable—and I assume it is, because the amendment to cut it out was defeated earlier—then certainly the least that should be done is that we require these purchases to be made with appropriated funds, rather than again reverting to the back door of the Treasury through the CCC.

Time and time again Members have stood on this floor to say that they do not understand provisions of this bill.

I submit that if this is a good program it will stand on its own merit, and we will appropriate the funds necessary if the program is sound. Do not let the Administrators of this program go through the back door of the Treasury, to the CCC, and completely becloud what this program will cost. Make them come out in the open and ask us what they need to fund it. Then you will know next year whether it is a good program or a bad program. You will know how much it is to cost.

Going through the back door of the Treasury, through the CCC, is absolutely wrong. The program should stand on its own merit. They should have to come out in the open, above board, to say, "This is what we need to fund this program."

Really, in good conscience, you should support this amendment. Then you will know what to tell your folks back home how good or bad the program is operating and more to the point—how much it is costing the taxpayer.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman.

Mr. FINDLEY. I would like to point out this is not the only provision for back-door spending in this legislation. On page 52, in the title on wheat, the entire cost of that program, administrative costs as well as payments, could be financed entirely through Commodity Credit Corporation funds.

Mr. MICHEL. That is true.

Mr. FINDLEY. I congratulate the gentleman on his statement.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. HAGEN of California. We have numerous back-door methods of spending such as in the housing program and so forth. I will say to the gentleman that your amendment was rejected in our committee. This is one way of using surplus stocks to carry the cost of this program and cut down the cost of it.

Mr. MICHEL. I say again that I do not think the back-door approach to the Treasury should be the means of financing it. If you folks have a good program, you ought to be forthright and honest enough to come to us openly and above board with your request for money to fund this program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes, 35, noes, 78.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. DORN].

(Mr. DORN asked and was given permission to revise and extend his remarks.)

Mr. DORN. Mr. Chairman, some of the attacks upon the domestic textile industry in connection with the 1964 cotton program are amazing.

In the spring of 1964, a one-price system for cotton went into effect, a program under which the domestic textile mills could buy American cotton at the same price as their foreign competitors for the first time since 1956.

Since August 1964, the domestic mills have acquired cotton at 23½ cents per pound, the price at which the staple has been sold for export. Since the loan rate was 30 cents a pound, a payment of 6½ cents per pound was made to the buyer of cotton for domestic use. The buyer could be a ginner, merchant, warehouseman, or textile mill. Payments did not go to the cotton producer, since he got a support price from the Government.

The 6½-cent-a-pound domestic payment has been described as a mill subsidy. It is nothing of the kind. The 6½ cents simply enabled the manufacturer to buy his cotton at the same price it was sold for export; 23½ cents. Prior to the 1964 program, the foreign competitors of the domestic industry could buy their cotton \$2.50 a bale cheaper than the home-based manufacturer. If there is any subsidy involved in the 1964 program it is a subsidy to the producers, since the Government assured them a price of 30 cents a pound, which, incidentally, dropped to 29 cents on August 1. At the same time, the payment declined to 5.75 cents a pound.

The change in 1964 to a one-price system for cotton simply removed a grave inequity which had damaged the domestic mills and the entire American cotton industry. This action, long overdue, has been described in some papers, and I am sorry to say by some Members of Congress, as a "mill subsidy."

The effects of the removal of the burden of two-price cotton have been constructive. The domestic consumption of American cotton in the crop year which ended on August 1 will approximate 9.1 million bales, an increase of

600,000 bales above the 1963-64 crop year. This actually represents more than a net gain of 600,000 bales, since, in all probability, the continuance of the two-price system for the 1964-65 cotton year would have meant a decline in domestic cotton consumption over the previous year. Some experts have estimated that the one-price system for 1964 meant an increase of approximately 1.5 million bales in comparison to what it would have been under the program, which allowed foreigners to buy cotton grown here at home more than \$40 a bale cheaper than our own manufacturers could obtain it.

Cotton is still the primary fiber in the textile spinning system. But, over the years, we have pursued a cotton policy which seemed deliberately designed to drive our own mills away from the staple. In April 1965, 81 percent of the textile industry's spinning hours were given to the production of cotton yarn. But in 1958, the percentage was 92. The two-price system has been a boon to man-made fibers.

Since one-price cotton, the textile industry's profit position has improved. As a result, some critics have charged profiteering and statements have been made that the manufacturers put the payments, which equalized domestic prices with foreign prices for American cotton, in their pockets.

Let us examine these charges, which, in view of the facts, are fantastic.

The textile industry for a long period of time has been a depressed industry; its profits have lagged sharply behind the profits of other major industries.

In 1963, the industry reported profits as a percentage of sales, after taxes, at 2.3 percent. This represented a slight decline from the 1962 figure of 2.4 percent.

In 1964, the textile industry had profits of 3.1 percent and, for the first quarter of 1965, of 3.7 percent. But, in 1964, the profits of manufacturing industries were 5.2 percent. No matter the yardstick used, textile profits were no higher than 16th in the list of the 20 major manufacturing industries. The textile industry's earnings were only about 60 percent of the average.

Some of the country's big corporations, General Motors, for example, enjoyed record earnings in 1964 and are repeating them in 1965. I have heard no criticism of these industries; in fact, as I understand it, the tax cut last year and the excise tax reduction this year, had as their objectives a stimulus to business activity which would mean more employment and more tax money for the Federal Government. It would seem then that the rise in profits for the textile industry, which employs nearly 1 million men and women, would be a cause for congratulation and rejoicing. It would seem that the improvement would be hailed and that everyone who wants to further bolster the economy would be insistent on continuance of a one-price system, since undoubtedly the program which went into effect in 1964 has helped the industry a great deal.

If the textile industry had failed to expand, regardless of its improved profit position, and failed to pass along some

of its earnings to its employees in the form of higher wages, there might be grounds for criticism. The facts are such, however, that, once again, I am amazed at the attacks which have been made on the manufacturers.

The level of investment by the industry in new plants and equipment has risen to levels under one-price cotton that are unprecedented. Last year, the textile manufacturers' outlay of capital for plants and equipment amounted to about 17 percent of their net worth, as compared to an average of 9 percent for other major industries. The mills spent around \$760 million for new plants and equipment in 1964, as compared to about \$640 million the previous year.

The Department of Commerce estimates that new plant and capital equipment expenditures in 1965 will be close to \$1 billion, as compared to a 5-year average of only \$608 million. When net worth is taken into account, the textile industry is spending at present more for capital improvements than any other major industry in the country.

There have been three wage increases of 5 percent for textile workers because of one-price cotton. The first raise took place late in 1963 in anticipation of one-price cotton; another in the fall of 1964 after the benefits of the program became apparent and the third raise is being completed. In the short period of 18 months, employees have received more than \$500 million through wage increases and this does not take into account fringe benefits. Many textile mills lie close to the Appalachia area where the Government is administering special programs to overcome poverty and lack of opportunity. Consequently, there is a special reason for gratification over the increase in textile wages.

Moreover, from April 1964, to April 1965, employment in the mills has risen by about 30,000 workers.

The textile industry wants to raise wages still further, but to do so, earnings must continue to rise. The consensus of the textile industry, is that one-price cotton is essential to a continuance of the recovery which has taken place since April 1964.

But the critics of the textile manufacturers still have another reason for carping. They contend that textile prices should have declined substantially with the reduction in price to the domestic mills under the 1964 program. The rise in mill margins in 1964 has been taken, by some, as automatic proof that the textile industry has victimized the consumer. The facts show otherwise.

The Department of Agriculture prepares monthly tabulations for 20 constructions of unfinished cotton cloth. For each of the 20 constructions, the selling price at the mill is given for the amount of cloth which can be manufactured from a pound of cotton. An examination of these constructions shows that the lightest fabrics—those with the least amount of cotton—rose between March 1964 and March 1965 while the heaviest fabrics, those with the most cotton declined. The fabrics with the lowest percentage of cotton cost and the highest percentage of labor and other

costs, went up in price; where cotton costs were heaviest, and other costs relatively lower, prices tended to decline. It might also be mentioned that the Department of Agriculture's 20 constructions of unfinished cotton cloth does not represent adequately the behavior of cotton cloth prices as a whole. Dr. M. K. Horne, Jr., chief economist of the National Cotton Council, a world authority on cotton, comments of the sample:

It is too small a sample of fabrics, and the lighter fabrics are automatically given a larger weighting in the averages, since the figures are in terms of a pound of cotton used.

In 1963, the demand for clothing lagged behind the demand for other goods. Nevertheless, clothing prices rose substantially. In 1964, the demand for clothing outstripped the demand for other goods and services but there was very little rise in clothing prices—one-sixth that of the index for all consumer prices. The lower price of raw cotton was a factor in the fact that clothing prices lagged behind the rise in other consumer prices.

Also, an inquiry into the price behavior of all cotton fabrics in 1964 indicates they did not rise but declined in the face of a very strong demand for textile products. This, evidently, was due to a lower price for cotton.

Reverting to the charge of excessive profits on the part of the textile industry since one-price cotton, the profits of apparel manufacturers rose more than the profits of textile manufacturers in 1964. Retailing profits also rose substantially. Finally, the textile companies which employed manmade fibers for the most part, had a profit position as good or better when compared with the concerns which relied mostly on cotton.

The textile industry is highly competitive, being oftentimes too competitive for its own good. Anyone familiar with its operations knows that it would have been impossible to pocket the payments which enabled the domestic industry to buy cotton at the same price that it sold to foreign mills. The demand situation in 1964 was extraordinarily strong and the textile industry responded to it as other industries responded.

The concern for the consumer arising out of the failure of textile prices to decline sharply in 1964 and 1965 also seems a little strange when the behavior of textile prices since 1947—just 2 years after the end of World War II—is considered.

Using the 1947-49 period as a base, the wholesale price index for all industrial commodities has risen about 29 percent. The price of cotton products has fallen 10 percent. As I recall, there has been little outside concern over the lag in textile prices and its relation to the low profits of the industry. Nor has the textile industry been given any credit for savings to consumers because prices have lagged 39 index points behind the general run of industrial prices.

Early in the 1960's, the Government moved the wholesale price index to the 1957-59 base, thus wiping out the gap between textile prices and other prices. Yet, using the new base, the wholesale price index for all industrial commodities

and for cotton products stood at 102.2 during the first quarter of 1964, prior to the one-price program. The law went into effect in April. By July 1964, the cotton products index fell to 98.3, other commodities holding to 101.1. The most recent figures are 102.1 for all industrial commodities and 99.7 for cotton products.

Any objective examination of cotton textile products and their price behavior since the end of World War II must come to the conclusion that cotton textiles are relatively cheap in comparison to other commodities. The charge of profiteering in cotton textile at the expense of the consumer is absurd.

The 1964 cotton program cost a good deal more than the first estimates and this, too, has been blamed on the textile industry. The original estimates were that the cost of the payments to equalize domestic and foreign prices would be around \$250 million. This is what the one-price phase of the program costs. The rise in overall costs had no relation to the one-price system and related primarily to a much bigger cotton crop than was anticipated and to the lag in exports.

The one-price plan for cotton has been beneficial, not only to the textile industry, but to the entire cotton industry and to the country. Any reversion to a two-price system will damage the textile industry, it is true but the real injury will be to other segments of the cotton industry. The mills will lose the confidence they now have in cotton and will make plans to rely on other fabrics for the future. Their research and promotion will center around synthetics and the latter will gain rapidly at cotton's expense. The textile industry has recognized the interests of the producers and of other segments of the cotton industry. The mills do not try to spell out the details of a cotton program. They only ask that they be allowed to buy the staple at the same price as their foreign competition. They do not insist on legislation which equalizes many other advantages which the foreigners have, for example, the tremendous differential in wages here and abroad in favor of the outsiders.

I think the mills are to be commended upon their attitude. In this situation, the least the Congress can do in the interests of all concerned is to continue the one-price system for cotton.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. DICKINSON].

(Mr. DICKINSON asked and was given permission to revise and extend his remarks.)

Mr. DICKINSON. Mr. Chairman, I rise today to defend the principle of one-price cotton, as it is provided for in this farm bill we are now considering, and one-price cotton only.

One-price cotton, when it became a reality, was a major step forward in trying to solve the problems of the cotton growers of our United States, of the textile manufacturers of our Nation, and of the exporters of this longtime major American crop.

In all of my contact with farm associations and individuals from my district in the last few days, I have found less than

a handful who have expressed any reservations whatsoever about the principal of one-price cotton. One-price cotton is not a regional issue; it is not a sectional issue; it is not a State issue. One-price cotton is an industrywide issue that is important to the cottongrower in Alabama, in California, and in Texas, and one-price cotton must be retained if we do not wish to take a major step backward.

But, Mr. Chairman, I ask my colleagues to look closely at this bill before us today. I ask them to recognize what a terrible price we of the traditional Cotton Belt are being asked to pay to get the one-price cotton provision that is so important to the entire industry.

Mr. Chairman, to get one-price cotton, we of the Southeast are being asked to approve a measure that could very well be the ruination of many of the cotton farmers in the Southeast. There are provisions in title IV of H.R. 9811 that in all probability will do terrible damage to the economies of many of our States, because they will do terrible damage to the cottongrowers who help support those economies.

Mr. Chairman, these provisions in title IV of this bill will create such an economic hardship on our southeastern cottongrowers that they very probably will not be able to remain in business. I cannot in good conscience support such a bill, but still, I cannot forget the importance of one price cotton.

I strongly urge the Members of this body to amend title IV so that we can maintain a one-price cotton program, but not at the cost of severely damaging the release and reapportionment program as well as increasing the present cotton surplus and thereby increasing the cost of the cotton program.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. BUCHANAN].

(Mr. BUCHANAN asked and was given permission to revise and extend his remarks.)

Mr. BUCHANAN. Mr. Chairman, as a representative of an urban district, my first concern is for the taxpayers who must continue to pay through high prices and high taxes and an increasing Federal debt for whatever program is adopted here today, as I am certain this bill will be passed. I am also concerned about Alabama cotton producers who, I am afraid, are not adequately protected in this section, even as amended. However, I do congratulate the committee for protecting our producers at least in one way, namely, by continuing to show recognition of the need of their best customer, that is, the American textile industry, which employs directly and indirectly through related industries, many thousands of Americans, and for recognizing the unfair competition this vital segment of our economy has faced. This industry is one which pays partially for the farm program and has likewise helped to pay for the foreign aid program through taxes paid to our Government. According to the requirement of our Government, it has paid its employees wages high above the level of its

Japanese and Indian competitors. It has confronted competition abroad which has paid low wages and taxes and which has been virtually subsidized in the past by our own Government in its foreign aid program. Simple justice to the many Americans dependent for their livelihood on this vital industry demands that American farm and foreign policies not revert to those which formerly discriminated against the American textile industry. Foreign competitors at one point could buy American cotton at the world market price through subsidy paid by our Government, while American mills, required to buy at home, had to pay a higher price for American cotton than their Japanese and Indian competitors. When Congress wisely made it possible for American textiles to buy competitively, the results were dramatic in terms of higher wages, new investment in capital equipment, and a new lease on life for the industry. This was important not only to the Americans working in textile and related industries, but also to cotton producers. Last year, American cotton farmers sold 9 million bales of cotton to American mills, while exporting only 4 million. If cotton producers are to continue to sell to their best customers, American mills, and not be crowded out by synthetics, then those mills must be permitted to buy cotton at prices which will keep them in a healthy, competitive position. In spite of other unfair advantages enjoyed by foreign mills such as wage-cost and tax factors, the American textile industry has demonstrated its ability to meet the competition if it can simply buy cotton at the world price. I congratulate the committee for making this possible.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. TUNNEY].

Mr. TUNNEY. Mr. Chairman, I yield my time to the gentleman from California [Mr. HAGEN].

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman, I would like to reserve my time until later.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Chairman, I rise to ask a question of the chairman and the ranking majority member of the committee. As I understand it, pursuant to section 406, which occurs at page 29 of the bill, "any cotton allotment or acreage history surrendered pursuant to the foregoing authority shall be held in reserve in establishing future National, State, county, and farm cotton acreage allotments and bases" which cannot be released or reallocated.

In other words it becomes dead cotton, held in reserve by the Government?

Mr. COOLEY. That is right.

Mr. WILLIS. That is correct, is it not?

Mr. COOLEY. The gentleman is correct.

Mr. WILLIS. Specifically if, let us say, 100 acres of cotton from Louisiana is

surrendered by negotiations pursuant to that section, to the Government, the Government may not then reallocate or release it for planting to cotton in Louisiana or any other State?

Mr. COOLEY. That is right.

Mr. WILLIS. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. TODD].

(By unanimous consent, Mr. ST GERMAIN yielded his time to Mr. TODD.)

Mr. TODD. Mr. Chairman, I rise in support of Congressman YATES' motion to limit the effectiveness of this bill for 2 years. If this amendment is adopted it will make it much easier for me to vote for this bill. That is not because it will be a good bill, but I think it will be a better bill than the alternatives. I think the debate which I have listened to on the cotton program is convincing that we will have serious problems 2 years from now. The debate has not convinced me that we have made any fundamental movement toward a solution of the cotton problem.

The gentleman from New York, in opposing Mr. YATES, indicated that this bill was a bill for the small farmer. One of my objections to this bill is that it is not a bill for the small farmer. This bill is a compromise bill. Approximately 70 percent of its benefits will be distributed to perhaps 20 to 30 percent of the farmers.

Mr. CALLAN. Mr. Chairman, will the gentleman yield?

Mr. TODD. I am pleased to yield to the able gentleman.

Mr. CALLAN. May I tell the gentleman the reason why this should be a 4-year bill? It is very well understood that most farmers, like those in any other industry, have to plan their work. Right now we are coming up to wheat planting time. The farmers of America do not know whether we are going to have a wheat program and how much wheat is to be planted. This happens every 2 years. This is just like any other business. What we are trying to do is to set up a program that has some continuity so that the farmers of America will have an idea what kind of a program they are going to have for at least a period of 4 years.

As to the cost, Congress is coming back here and can meet the question of cost when it does. That is the reason for the 4-year program.

Mr. TODD. I feel this bill is better as an alternative now, and that we can come up here next year and write a good farm bill. This is why a 2-year limitation, in my opinion, would make it a superior bill.

Mr. Chairman, I have given the measure as much study as time allows, and in preparation for its consideration have also attempted to digest a considerable amount of background material relative to reasons for, and possible cures for, the problems which beset our farmers.

I have reached the conclusion that this bill does not proceed sufficiently rapidly in meeting these problems, and that it contains many sections which perpetuate errors contained in past bills.

However, after studying the debate, reading the minority reports, and discussing the problems of modifying the legislation with colleagues who are knowledgeable of the practical problems involved, I have concluded that enactment of this bill is better than the alternatives. Therefore my vote does not reflect satisfaction with the legislation, but rather greater dissatisfaction with the alternatives.

In this connection, it should be noted that the rice program is not affected by this bill. The rice program, in fact, is similar in some respects to the programs which might exist if this bill were not passed. In 1959, which are the latest figures available to me, 60 percent of the rice acreage was on 2,628 farms. At this time, 60 percent of the rice production would be grown on fewer than this number of farms. This means that 60 percent of the benefits of our present rice program go to 2,628 or fewer rice farmers—and that the program cannot be construed to be a program to benefit the smaller or family farmer.

I am in favor of the land retirement provisions of this bill—they are a step in the right direction. However, they will not solve the problem. Take rice again, as an example. According to official USDA statistics, rice production, based on present technology, is 3,700 pounds per acre in Arkansas. Based on advanced technology, now available and in the process of being adopted, yields of 5,200 pounds per acre can be expected. This is a miracle which our farmers, experiment stations, and farm industries have produced, and I am for it. But it means that we will be increasing our production faster than we are retiring our lands. This bill does not address itself to this problem. The omission of rice means that we will continue, in the absence of other legislation, to subsidize heavily the largest rice farmers. It should be noted that the committee report on this bill says that approximately \$180 million was spent on rice programs last year, and that this represents 50 percent of the gross value of the farm crop. This means that about \$108 million was distributed to a little more than 2,000 largest rice farmers—who also benefit from other programs—or a net contribution to their gross income of \$50,000 each.

This is not part of the present bill. It is an example of how far we would go back if the provisions of the present bill were not adopted—for they reduce the excesses in the other crops. But they do not go far enough, quickly enough, cheaply enough. We need a better, more comprehensive farm bill, in the next session of Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois and in support of the bill H.R. 9811.

Mr. Chairman, I support the bill under consideration, H.R. 9811. This bill is, as everyone understands and as the title clearly indicates, the omnibus farm bill of 1965. It is not perfect; few bills which

can be described as omnibus bills are perfect.

The good points of this bill far outweigh any bad points. The benefits for the country as a whole, as well as the agricultural segment of the United States, far exceed any detriments which enactment of this bill might cause.

The bill as perfected in the Committee of the Whole will be a much more desirable bill than the bill which was reported and assigned to the Union Calendar. Many of the amendments being considered are substantive amendments, and improve the general character of this legislation. The action of the floor managers of this bill in carefully considering and agreeing to the adoption of certain of these amendments is sincerely appreciated by those of us who have made our views known for the purpose of improving this legislation. As this bill now reads, with the addition and inclusion of these amendments, it is a bill which I support, shall vote for, and urge its passage.

Mr. Chairman, the cotton portion of this bill, title IV, is one which is of most interest and concern to the people of the Sixth District of Georgia. We are interested in the other sections, of course, because we realize the need for a strong agricultural economy, and that strong agricultural economy can only be established and maintained by a careful consideration of the needs of the basic agricultural commodities, individually and in conjunction with each other. It is my hope that the other titles of the bill have been perfected to where they too will strengthen the economy of the geographical sections of the United States which those titles primarily affect. I believe that title IV, as amended, is in the best form now that this Committee could develop.

The amendments which relate to release and reapportionment, and the amendment providing limitations on transfers by sale or lease, are all in the best interest of our Nation's agriculture.

Title IV of this bill shores up and strengthens the legislation enacted in 1964, which eliminated most of the objectionable features of the formerly vicious two-price cotton system. Mr. Chairman, the stabilization of raw cotton production, and the stabilization of cotton processing by the American textile industry, are the warp and woof of two closely related prime segments of our national economy.

Mr. Chairman, they cannot be separated because the textile industry of the United States is the largest consumer of domestic cotton. The American cotton farmer could no longer remain a viable part of our national life if he had to depend on cotton exports of this commodity. The textile industry is required by law to use American cotton when it spins raw cotton into yarn and weaves cotton yarn into cloth—except for about 1 day's supply.

In spite of increased use of synthetic fibers, the American textile industry, even now, uses more raw cotton than all synthetic fibers put together.

Under the two-price cotton system which existed for many years prior to

1964, competitive cotton mills located in other parts of the world could buy cotton grown in the United States for approximately \$42 a bale cheaper than the price which cotton mills in my home town and my home State were required to pay for identical cotton. This price differential amounted to nearly one-third of the total cost of raw cotton used in textile production.

Mr. Chairman, I must say to my colleagues who live in other parts of our country and who are not familiar with either cotton production or cotton processing that to my knowledge, there is not another American industry which for so long was compelled to compete in world commerce under such a disadvantage as this. It is a compliment to the men and women who make up the American textile industry, in both management and production, that they were able to maintain the stability of this great industry, and to insure maximum employment and maximum wages, while working under this overwhelming disadvantage. A less determined and less dedicated group of people might have given up many years ago.

The legislation enacted and signed into law last year permitted American processors here at home to buy cotton at the same price for which it was shipped overseas for the first time in 8 years. This two-price system nearly destroyed the primary customer of American cotton farmers and did not provide any substantial world market for American-grown raw cotton. It helped few if any Americans.

The pending legislation will provide an added degree of stability within the U.S. textile industry which will permit this industry to expand its production, to employ more people, to pay better wages, to establish new and improved research programs, and generally to reestablish its strong position as a part of a growing national economy. Mr. Chairman, this could never have been done as long as the cloud or shadow of the two-priced cotton system hovered on the near or distant horizon.

I believe that the stabilization of this new one-price concept will unfold increasing benefits to producers, buyers, sellers, shippers, and processors of raw cotton. No industry can expand or promote its own welfare and the welfare of its employees under conditions of uncertainty or instability. This new cotton program will provide the necessary stability which our segment of the cotton industry needs in order to move forward with renewed life and renewed vigor.

Mr. Chairman, it is almost certain that this legislation will be effective in maintaining a higher level of employment and maintaining a dormant position in the domestic textile market. It is probable that it will enable the United States to recapture at least a part of the world market. Mr. Chairman, I want to express my appreciation to the Members of Congress and to members of the executive branch who have recognized the importance which we attach to the elimination of the two-price cotton system. The 1964 act which struck it down, and this pending legislation which strengthens the

concept of the one-price system, will have tremendous beneficial effects upon the economy of all parts of the United States, not only to those States where textile production forms a large or major portion of the economy. More than a million men and women drive their main source of income directly from the textile industry in the United States. This industry can only be described as an essential industry in time of peace and in time of war. It uses a major agricultural commodity, and it produces merchandise which enters the economy of every section of the United States and every family.

Since 1963, there have been three wage increases for textile employees which are directly attributed to the change from two-price to one-price cotton. In less than a year and a half, there have been wage increases totaling more than half a billion dollars, employment has increased in this industry more than any comparable period in many years, and with this new legislation and the stability which it will provide, I expect to see greater employment and more wage increases as increased production and increased sales take place.

Mr. Chairman, I have every reason to believe that enactment of this legislation will inure to the benefit of our national economy generally, and to every segment of the cotton industry specifically. I hope that we will be able to maintain this new concept of a one-price cotton system as an integral part of our national economy.

(Mr. FLYNT asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I have been sitting here with an amendment all afternoon proposing to strike out all of this cotton title. I finally persuaded myself that it was probably not the best thing to do because the amendment probably would be defeated. My only object is to improve this bill or hope for some improvement when it gets to the other body.

The House Committee on Agriculture reported out a good bill. Every amendment that has been adopted to this bill has made it a worse bill and a bill that will cost the taxpayers more money and will continue the things that have brought criticism on the cotton program. This bill has been written and dominated by the mill interests. I say that without any hesitation. Their influence is felt all the way through here. They got a bonanza from the bill that was passed 2 years ago. I think if we would go back to the 1958 law we would be better off because we would be in a better position to deal with them. I think they would be a little more ready for a compromise than they are now.

Mr. Chairman, I think that some of the objectionable features will be taken out when we get to the Senate. That is the only reason I am not going to offer an amendment to strike out this cotton title.

I am going to vote, however, to recommit this bill to the committee and I

hope that the motion to recommit is such as to get it back into our committee to try to undo some of the things that were done by a very small group of people who had enough influence to bring along enough other people along with them who do not know anything about the problem, but who are willing to go ahead and vote for the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE V—WHEAT

SEC. 501. Effective beginning with the crop planted for harvest in the calendar year 1966, the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 332 is amended by changing item (iv) in subsection (b) to read: "will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962" and by adding the following new subsection:

"(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1963 through 1969, and farm marketing quotas shall not be in effect for such crops of wheat."

(2) Section 333 is amended to read as follows: "The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed. The Secretary may, in his discretion, adjust such national acreage allotment as he determines necessary to assure the maintenance of adequate but not excessive stocks in the United States."

(3) Subsection (a) of section 334 is amended to read as follows:

"(a) The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including for 1966 the increased acreage in the State allotted for 1965 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties in addition to the county allotments made under subsection (b) of this section on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the rela-

tive needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year."

(4) Subsection (b) of section 334 is amended to read as follows:

"(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1966 the increased acreage in the county allotted for 1965 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors."

(5) Subsection (c) of section 334 is amended by adding new paragraphs (3) and (4) to read as follows:

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1966 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment."

"(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1966 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm and may be adjusted upward to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment; *Provided*, That (i) for purposes of competing the 1966 allotment for any farm not in compliance with its 1964 farm acreage allotment, the 1965 acreage allotment shall be reduced by 7 per centum; (ii) for the purposes of com-

puting the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary division program nor a certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; (iii) for purposes of clause (ii), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum; and (iv) for purposes of clauses (i) and (ii) if the Secretary determines that the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special crop-rotation practices, he may modify such reduction in the allotment as he determines to be necessary to provide fair and equitable treatment to such producers."

(6) Subsection (d) of section 334 is repealed.

(7) Subsection (g) of section 334 is amended by striking out the language "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section" in the first sentence.

(8) Section 335 is amended by adding at the end thereof the following: "This section shall not be applicable to the crops planted for harvest in 1966 and subsequent years."

(9) Section 339(b) is amended (1) by striking out "1964 and 1965 crops of wheat" and substituting "crops of wheat planted for harvest in the calendar years 1964 through 1969"; and (2) by striking out of the third sentence "20 per centum of the farm acreage allotment" and "fifteen acres" and substituting "50 centum of the farm acreage allotment" and "twenty-five acres", respectively.

(10) Section 339(e) is amended to read as follows: "The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses."

SEC. 502. Effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 through 1969, and the marketing years for such crops, section 379b is amended to read as follows:

"SEC. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 through 1969. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be (i) the amount of wheat he estimates will be used during such year for food products for consumption in the United States, but the amount of wheat included in the marketing allocation

for food products for consumption in the United States shall not be less than five hundred million bushels, and (ii) that portion of the amount of wheat which he estimates will be exported in the form of wheat or products thereof during the marketing year on which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the amount of the national marketing quota for wheat that would be determined for such marketing year if a national marketing quota for such year had been proclaimed less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. The cost of any domestic marketing certificates issued to producers in excess of the number of certificates acquired by processors as a result of the application of the five hundred million bushel minimum or an overestimate of the amount of wheat used during such year for food products for consumption in the United States shall be borne by Commodity Credit Corporation. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

SEC. 503. Effective beginning with the 1970 crop, section 379b is amended by striking out "normal yield of wheat for the farm as determined by the Secretary" and substituting "projected farm yield".

SEC. 504. (a) Effective upon enactment of this Act, section 379d(b) is amended by striking out the third sentence and substituting the following: "The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other noncommercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond as prescribed by the Secretary, the purchase of and payment for such marketing certificates as may be required may be deferred until such beverage is bottled for sale. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port."

(b) Section 379(d) is amended by inserting after the word "flour" the following: "(excluding flour clears not used for human consumption as determined by the Secretary)".

This subsection shall be effective on or after sixty days following enactment of this Act, unless the Secretary shall by regulation designate an earlier effective date within such sixty-day period.

(c) Section 379d(b) is amended by adding at the end thereof the following: "Whenever the face value per bushel of domestic marketing certificates for a marketing year is different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary may require mar-

keting certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such preceding marketing year even though the food product may be marketed or removed for sale or consumption after the end of the marketing year."

(d) Section 379g is amended by inserting "(a)" after "SEC. 379g" and adding a new subsection (b) as follows:

"(b) Whenever the face value per bushel of domestic marketing certificates for a marketing year is substantially different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary is authorized to take such action as he determines necessary to facilitate the transition between marketing years. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to sell certificates to persons engaged in the processing of wheat into food products covering such quantities of wheat, at such prices, and under such terms and conditions as the Secretary may by regulation provide. Any such certificate shall be issued by Commodity Credit Corporation."

SEC. 505. The Agricultural Act of 1964 is amended as follows:

(1) Amendment (7) of section 202 is amended by striking out "1964 and 1965" and substituting "the calendar years 1964 through 1969".

(2) Amendment (13) of section 202 is amended by striking out "only with respect to the crop planted for harvest in the calendar year 1965" and substituting "with respect to the crops planted for harvest in the calendar years 1965 through 1969".

(3) Section 204 is amended by striking out "1964 and 1965" and substituting "1964 through 1969".

SEC. 506. Effective beginning with the 1966 crop, section 107 of the Agricultural Act of 1949, as amended, is amended to read as follows:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, beginning with the 1966 crop—

"(1) Whenever a wheat marketing allocation program is in effect, (a) price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, but in no event less than \$2.50 per bushel, (b) price support for wheat accompanied by export certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines, and (c) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

"(2) Whenever a wheat marketing allocation program is not in effect, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

"(3) Price support shall be made available only to cooperators.

"(4) A 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed

by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored."

Sec. 507. Effective beginning with the crop planted for harvest in the calendar year 1966, section 339(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words "national acreage allotment", wherever they appear, the following: "(less an acreage equal to the increased acreage allotted for 1965 pursuant to section 335)".

Sec. 508. Effective beginning with crop planted for harvest in the calendar year 1966, section 379c(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the third sentence to read as follows: "The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on a fair and equitable basis.", and by adding at the end thereof the following: "An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection."

Sec. 509. Section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Paragraph (8) is amended by inserting "(A)" after "(8)" and adding the following new subparagraph:

"(B) 'Projected national yield' as applied to any crop of wheat shall be determined on the basis of the national yield per harvested acre of the commodity during each of the five calendar years immediately preceding the year in which such projected national yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

(2) Paragraph (13) is amended by adding the following new subparagraphs:

"(J) 'Projected county yield' for any crop of wheat shall be determined on the basis of the yield per harvested acre of such crop in the county during each of the five calendar years immediately preceding the year in which such projected county yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

"(K) 'Projected farm yield' for any crop of wheat shall be determined on the basis of the yield per harvested acre of such crop, on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (E) of this paragraph."

Sec. 510. (a) Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1966 crop, by striking out of the fifth sentence the words "normal yield of wheat per acre established for the farm" and substituting therefor the words "projected farm yield".

(b) Section 379i of the Agricultural Adjustment Act of 1938, as amended, is amended, effective as of the effective date of

the original enactment of the section, by inserting in subsections (a) and (b) after the word "who", wherever it appears, the word "knowingly".

Sec. 511. (a) Effective beginning with the crop planted for harvest in 1966, paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(9) 'Normal production' as applied to any number of acres of rice or cotton means the normal yield for the farm times such number of acres and for wheat means the projected farm yield times such number of acres."

(b) Public Law 74, Seventy-seventh Congress, as amended, is amended by changing the words "normal yield of wheat per acre established for the farm" in paragraph (1) to the words "projected farm yield".

Sec. 512. In establishing terms and conditions for permitting wheat to be planted in lieu of oats and rye, the Secretary may take into account the number of feed units per acre of wheat in relation to the number of feed units per acre of oats and rye.

Sec. 513. Section 379c of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the crop planted for harvest in the calendar year 1964, by adding the following subsection:

"(e) Notwithstanding any other provision of law, the amount of certificates issued with respect to any farm may be adjusted by the Secretary for failure of a producer to comply fully with the terms and conditions of the program formulated under this subtitle."

Mr. COOLEY (interrupting reading of bill). Mr. Chairman, I ask unanimous consent that title V, the wheat section, be considered as having been read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AMENDMENT OFFERED BY MR. COOLEY

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 47, between lines 7 and 8, insert the following:

"Sec. 514. Section 379e of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through the 1969 wheat crops to persons engaged in the processing of food products at face value thereof less any amount by which price support for wheat accompanied by domestic certificates exceeds \$2.00 per bushel."

Mr. COOLEY. Mr. Chairman, I shall be very brief. I believe everyone on the floor understands the purpose of this amendment. Its purpose is to eliminate the so-called bread tax.

Mr. Chairman, while I have not yet agreed that the bill contained any such tax, the fact remains that the argument has been made and a lot of propaganda has gone out about it. I am perfectly willing to see the taxpayers of the Nation bear this additional financial burden rather than to pass it on to the poor man's bread.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes; I yield to the gentleman from Oklahoma.

Mr. BELCHER. In order to keep the record straight, I am not going to say

anything about a bread tax or admit necessarily that it is a bread tax. But what you actually mean is this amendment, if adopted, eliminates any increase from the present certificate that is paid by the processor?

Mr. COOLEY. That is right.

Mr. BELCHER. In other words, everything above \$2 shall be paid by the taxpayers and everything below \$2, which would be approximately 75 or 80 cents, will still be paid in the same manner that is now?

Mr. COOLEY. That is right.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes; I yield to the gentleman from Illinois.

Mr. YATES. With this amendment, there is no possible basis for the bread or baking companies to contend that any future increases in the cost of bread are attributable to this wheat program; is that correct?

Mr. COOLEY. The gentleman is entirely correct and that is the one thing that prompts me to offer the amendment. It will take away from them the argument that they are justified in increasing the cost of bread.

Mr. Chairman, I have voted consistently on this question because I voted in committee for an amendment almost identical to this, but the amendment failed by a tie vote of 17 to 17.

Mr. Chairman, I hope this amendment will be adopted so we can get on to the balance of the bill.

Mr. QUIE. Mr. Chairman, I rise in support of the pending amendment.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I am glad that the chairman of the committee has offered this amendment. It is true, as he said, he did vote for the Quie amendment in committee when I offered it and lost by a vote of 17 to 17. I feel if we are going to make direct production payments to farmers we ought to pay it out of the Treasury. We do this on wool, and we have been doing it for some time in the wool program. We find all farm organizations coming in to support the wool program. The Congress passed direct payments for feed grains in 1961, production payments for feed grains went into effect in 1961. The feed grain program cost over \$1.5 billion a year, and are financed out of the Treasury.

We have completed the cotton title of the bill. The cotton title of the bill will finance those direct payments of production payments out of the Treasury. The Commodity Credit Corporation makes the payments, but the Commodity Credit Corporation is reimbursed out of the Treasury. With all these commodities financed in this way, I think it is only wise that we finance the wheat program the same way. I do not think we should feel now that all of the wheat program will be financed out of the Treasury. Seventy-five cents is still financed by a processor tax, and levied against the processor. The bread tax term could not be hung on the bill last year because the previous year the price support loan was \$1.82 a bushel, then with the resale formula at 105 the market price of wheat

stayed close to \$2 per bushel. For that reason, with a loan of \$1.25 and a processor's tax of 75 cents, the total payment which the millers were to make for wheat was \$2 a bushel. The price rose higher, however, since under the retail formula, which permits the price to rise a little more than 6 cents, making it a little over \$2 a bushel.

We ought to bear in mind in wheat we have the only commodity outside of sugar where there is a processing tax, and where the processor pays the tax.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. TEAGUE of California. Is it correct that this amendment knocks out the proposed increase, whether we call it a processor's tax or a bread tax, but it does not disturb the present processor's tax or bread tax?

Mr. QUIE. That is correct.

Let me say it would be extremely unfortunate if the 50 cents had been collected by the processor's tax, which is called a bread tax, because processors naturally would have passed it on to the consumer. This is one reason why it is called a bread tax—because the processors always pass it on to the consumer.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from North Carolina.

Mr. COOLEY. The certificates are made available to the farmers?

Mr. QUIE. Yes.

Mr. COOLEY. The millers collect it, and turn it over to the farmers?

Mr. QUIE. Nobody has seen a certificate. The miller has never purchased a certificate. The farmer is not receiving a certificate. The farmer receives a direct payment from the Government, in the same way the farmer of feed grains receives payment. The farmer does not collect the money from the processor. You cannot say it is collected by the processor, and turned over to the farmer. In the East where the farmers do not participate in the wheat program, they do not receive the 75 cents which the processors have paid for the wheat because they are not a part of the program for the most part. In the other parts of the country where a small portion goes into food, they receive the payment on 45 percent of their production.

Mr. COOLEY. That is because they have complied?

Mr. QUIE. That is because they comply. So this is a payment to induce farmers to comply with acreage retirement, just as in cotton, just as in feed grain, and that is why we should have a one price for wheat here.

Let me tell you why this is not a bread tax. That is because poor people with incomes of less than \$2,000 eat about twice as much food made out of wheat as do those who earn over \$10,000 a year.

So when it gets passed on to the consumer, this is why it was tagged with the title of "bread tax".

This bill provides for one-price cotton. The domestic mills do not pay more than foreign mills as in wheat.

Also this Congress has reduced the excise tax on automobiles, furs, and jewelry because it was thought it was unwise to continue those taxes. This was a savings to the consumer.

I hope everyone will support the amendment to remove the bread tax from the bill.

Mr. DENT. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, there has been a rumor going around here for the past few days and I am glad there was no truth in it that I was going to sponsor this amendment. I am happy now because now some of my friends who were sort of steering a little clear of me can speak to me again. However, in all seriousness this can honestly be called the Dent-Quie-Cooley amendment.

I heard the President say something in a briefing that some of us Congressmen attended not too long ago and it sort of struck me as the kind of creed that I have followed most of my life. The President said that all people tried to do what they think is right and that so far as he was concerned, he always tried to do that which he thought was right and when convinced he was right, he stuck to his position to the very end. All my life I have tried to do that and I am going to continue here today, I want to say something to you about this bill that you ought to know about.

I do not know how many of you realize it but the American housewife has been—is now—and will continue to support the entire subsidy program for overseas shipments of wheat under Public Law 480 and under all of the plans that we have for the shipment of wheat in export and also the subsidy program for wheat that goes into the feed grain.

Of 800,000 small farmers in the United States, 450,000 of them do not receive one red cent out of these subsidy programs of the U.S. Government on this particular item of wheat. They grow the greater percentage or part of the wheat that is used in this bread that is made for the home and the table of the American housewife.

So the subsidy that we are now paying at the rate of 75 cents on the wheat for bread which is sold in the United States goes to 15 percent of the growers in this country who grow all of the wheat that is shipped out of the country and who grow very little of the wheat that is sold for bread purposes.

In the States of Ohio, Michigan, Illinois, Indiana, Missouri and Pennsylvania we have the six major bread-wheat growers or growing areas in the United States of America. They do not receive any money out of the program except to the extent of approximately 17 percent of the farmers within these States. Now it is not a stubbornness on the part of these people. It is not an attitude of unwillingness or of being individualists—it is a practical matter of economy. The average small wheat farm consists of about 12 acres. When you get that wheat farm into a program where 45 percent of your wheat will be paid at \$2.50 and 55 percent will be paid

at \$1.25—then you have some of that wheat that you want to feed through your feed milling to chickens and so forth and in many cases in our State it is put into a mix for their cows although that is not the best feed—but right now they are feeding most of it where they have two or three cows because they cannot sell it in the market at \$1.25.

Before 1964, Members of this Congress, soft wheat growers of Pennsylvania, Illinois, Michigan, Indiana, and Missouri and 15 other States in this Union were receiving between \$1.60 and \$2.25 a bushel for their wheat. We turned around in 1963 when the wheat price was \$1.82 and wheat cost to the people of the United States for subsidy was \$990 million—we turned right around and the very next year under a plan devised by the Secretary of Agriculture and sponsored by the Committee on Agriculture and voted for by this Congress—we took away from the farmers in the eastern part of the United States and the Midwest who are the growers of the soft wheat that goes into bread for the housewife's table—the right to sell that wheat unless the grower complied with an order that he could not comply with because it is impossible to put 12 acres of a wheat farm into a program where they are competing with people who grow wheat for 70 cents to 80 cents a bushel.

The wheat that you are subsidizing here today will cost \$1.90 plus 5 cents to 10 cents for every bushel of wheat. That is what the farmer will have taking this on the basis of 45 percent at \$2.50 and 55 percent at \$1.25.

Who will collect it? The farmer who grows wheat for 70 or 80 cents a bushel. That is what it costs to grow wheat in the big, extensive farm operations in the West.

It is like saying to a person in a little manufacturing plant who turns out 100 tons of steel a day that he can turn out steel for the same price and at the same cost as a large steel mill producing over 150,000 tons of steel, in a 3-month period. It is impossible to compete on that kind of a basis.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DENT. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. This is only half way through.

Each loaf of bread after today can be made up of 10 slices, costing \$2.50. The chairman of the committee has taken two slices away. There are three more slices that have to be taken away in order to get equity into a program, if any equity can be put into a subsidy program.

I have never opposed subsidies as such, except when it came to the foolish notion that we can subsidize in any economy for the export trade evolving from surpluses. We cannot do it, and that has been proven. That has been tried since the early Grecian states and it failed in every

instance, and every civilization on the face of the earth has fallen when it has gotten into a program of trying to build its economic level on an ability to trade. No nation can subsidize trade from the profits which are made from the market within which the goods are produced, and sell in a world market subsidized. That cannot be done. It never has been done. It never will be done.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DENT. Certainly I will yield to the chairman of the committee in a minute.

But I want to say this: On this floor at this moment I say to you that the problem facing wheat, the problem facing cotton, the problem facing steel, and the problem facing glass is the inoperative type of free trade movement, disregarding the cost of production.

We can have an open market on farm goods with a Government subsidy to guarantee a parity income to the farmers only so long as we can guarantee that parity income on the production consumed within the Nation.

Mr. Chairman, I have a great deal of respect for you and the job you have had to handle over these years. I know what you are up against. As an individual, speaking from outside of the confines of your committee, and based upon my studies of history, I say to you that until the moment comes when the American taxpayer is taxed a subsidy for the production that he uses this will not work. Only then will you have a reasonable approach to the solution of the farm problem.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DENT. I yield to the gentleman.

Mr. COOLEY. Is the gentleman for this amendment of mine, or not?

Mr. DENT. Yes, but I am for another amendment taking the other three slices out of the Treasury also. I would say I should be for this amendment, since I believe I helped to draft it and certainly took the rap for pushing it to passage.

Let me state what we are doing right now. We are told—and many of you believe it—that we are subsidizing a price of \$2.50 to the American farmer for wheat. You are not doing any such thing. You are creating a subsidy of a \$2.50 price to the housewives in America and you are giving the farmers \$1.90-plus for every bushel of wheat he sells, because he gets a blend price. He does not get the \$2.50 the housewife pays. He gets \$1.90, because you are shipping the wheat overseas, which you subsidize and for which you charge the American housewife.

I say to all of you that there is no difference between cotton and wheat when you get into the economics of it. We are not discussing cotton as an item that is more important than wheat, or vice versa. We are saying, and we should not say, that a cotton grower has to have more consideration than a wheat grower. Why do we stand here and vote for 75 cents of the subsidy paid on wheat to be paid by the user of wheat, with nothing to be paid by the user of cotton whatsoever? It cannot be because the makeup of the committee is oriented to cotton and the cotton interests. Or can it be?

The question must be resolved, and the question cannot be resolved so long as this Congress looks at wheat in this way.

In the old days, they say, back in the days of the Patricians, the Roman Patricians always beat the slaves because the slaves could offer the least resistance.

In this particular case, it appears that the housewife can offer the least resistance because the minute anybody protests a tax such as this being put on the consumer, up pops the ugly head of charges of a bread trust and a bakers' trust. Those are words used by Upton Sinclair long before these days. Whole generations of Americans have grown up since then. We are no longer the immigrants who got off the ships with a little stick and a bag of clothes on our shoulders with a tag telling us which coal town to go to. We, too, have enjoyed the benefits of education in this country and we know the difference between a red herring and a loaf of bread.

Mr. PURCELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would first like to say for the information of those who might not know that out of the \$1.3 billion that the wheat program is having to carry, almost \$1 billion is paid for Public Law 480 programs.

I am getting sick and tired of all this talk about the high cost of farm programs and how the long-suffering taxpayer is being bled for the benefit of the farmers. This is unadulterated economic nonsense. The fact is that for the past 15 years farmers have been carrying consumers on their backs and that the farm programs—which have financed and made possible the fantastic increase in agricultural productivity that has taken place in those 15 years are the biggest bargain taxpayers ever had. U.S. agriculture came up to the end of World War II with practically the same plant and facilities which it had when the war started back in 1940. Not because technology had stood still during that time, but because wartime necessity of funneling steel, rubber, gasoline, chemicals, manpower, and even capital into the war effort had made any substantial improvement in farm technology very difficult.

At the end of the war, farmers had the first opportunity in a generation to put modern technology to work in agriculture—remember there had been a depression when farmers had no money to buy anything all during the 1930's—and they did so with gusto. Since the base years 1947–49, farm productivity—production per acre and per man—has increased more than 30 percent. This is a larger increase in productivity than has ever taken place in such a period of time in any agricultural plant, anywhere, and greater than the increase in productivity of any other major segment of the American economy.

Virtually all of this increase in efficiency was made possible by input of capital—new machines, new and expensive chemicals, new and costly storage and handling facilities. And to a large extent, farmers had this capital to invest only because Government programs kept the postwar depression in

farm prices and glut of production from their new efficiency from putting them right back where they were in the mid-30's.

Since 1947–49 every economic index in the United States has gone up—except farm prices and farm income. The gross national product, factory and professional wages, personal income, and every other price index there is, all have gone up. Since 1947–49 prices received by farmers have decreased 12 percent and net farm income has gone down from 15.9 billion in 1947–49 to 12.6 billion in 1964.

How have farmers managed to keep their heads above water? By increasing farm mortgage debt more than 100 percent in this period, by increasing short-term farm debt by almost 200 percent, and by cutting the per-unit cost of their products through the increased efficiency that has been the wonder of the world.

What has this meant to consumers? It has meant more food and cheaper food than they had any right to expect. In 1947–49 consumers spent 26 percent of their income for food. In 1964 they spent only 19 percent of their income for food. If consumers had spent the same percentage of their income for food in 1964 that they did in 1947–49, their collective grocery bill would have been \$30 billion more than they actually paid.

The total appropriation for the Department of Agriculture in 1964 was about \$7 billion. This included about \$2 billion in food for peace operations overseas—which should probably be charged to foreign affairs, not agriculture. It included \$100 million for school lunches, several hundred million for programs of direct benefit to consumers such as meat and poultry inspection, hundreds of millions of direct subsidy to the American merchant marine, and so on. But if all of the \$7 billion had gone to benefit farmers, this would still have been the biggest bargain for consumers and taxpayers in the whole Federal budget. There can be no question but that without agricultural research, credit, and price-support programs, the greater part of the increased farm efficiency which has made this \$30 billion saving in our collective grocery bill possible, would never have taken place.

So are our farm programs really an agricultural subsidy or are they in fact a consumer subsidy, making it possible for consumers to buy their groceries at something less than an economically justifiable price? I have an idea that we are about to find out. There are indications that the free ride for consumers on the gravy train of increased agricultural efficiency is just about over.

Statistics showing the net income of farmers make no allowance for return on capital investment. I asked the Department of Agriculture to prepare a table showing net farm income if it were computed by allowing a fair return—5 percent—on the farmers' capital investment, as is done for utilities and other businesses.

It shows that on this basis, net farm income in 1964 was not \$12.9 billion, as we have been accustomed to seeing, but only \$3.2 billion.

The table follows:

Returns to farm operators

[In billions of dollars]

Year	Realized gross farm income	Farm production expenses	Farm operator's realized net farm income	Value of productive assets (farm proprietors' equity) ¹	5 percent return on value of farm assets	Residual net income for family labor and management
1955	33.1	21.9	11.2	147.5	7.4	3.8
1956	34.3	22.4	11.9	150.9	7.5	4.4
1957	34.0	23.3	10.7	158.8	7.9	2.8
1958	37.9	25.2	12.7	165.7	8.3	4.4
1959	37.5	26.1	11.4	179.1	9.0	2.4
1960	37.9	26.2	11.7	179.1	9.0	2.7
1961	39.6	27.0	12.6	178.1	8.9	3.7
1962	41.1	28.5	12.5	184.3	9.2	3.3
1963	42.1	29.6	12.5	189.2	9.5	3.0
1964	42.2	29.2	12.9	194.0	9.7	3.2
1965 ²	43.5	30.0	13.5	200.1	10.0	3.5

¹ Total farm assets minus total farm debt. Value of farm assets includes farm real estate, livestock, machinery and motor vehicles, crops stored on and off farms, household furnishings and equipment and financial assets.

² Preliminary forecast.

(Mr. PURCELL asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment do not close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. FINDLEY. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on the pending amendment close in 10 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from North Carolina.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. FINDLEY].

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY as a substitute for the amendment offered by Mr. COOLEY: Strike out all of the language proposed by the gentleman from North Carolina and insert in lieu thereof the following:

"On page 47, between lines 7 and 8, insert the following:

"SEC. 514. Section 379d of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subsection:

"(e) Notwithstanding any other provision of law, domestic marketing certificates shall not be required to be acquired by processors under section d(b) of this section and any portion of price support in excess of the level of price support for non-certificate wheat shall be paid in cash by the Secretary and there are hereby authorized to be appropriated annually such sums as may be necessary for such cash payments." "

Mr. FINDLEY. Mr. Chairman, my amendment would improve the amendment which has been offered by the gentleman from North Carolina [Mr. COOLEY] in that it would strike the entire bread tax from this bill and not just one-third of it, which would be the effect of the gentleman's amendment.

Mr. Chairman, the amendment which has been offered by the gentleman from North Carolina [Mr. COOLEY] applies only to 50 cents of the \$1.30 certificate value. So if the gentleman's amendment is accepted instead of mine this means that a bread tax will still be in the bill, a bread tax valued at approximately 1

cent a loaf on bread or 2 cents a pound on flour. The 2 cents a pound on flour is easily demonstrated, because the miller gets about 42 pounds of flour from each bushel of wheat. Therefore, the certificate value of \$1.30 figures out at about 3 cents a pound. The part of the tax remaining under the Cooley amendment would be 2 cents a pound. This is a fixed value representing a bread tax which will still be in the legislation if the amendment which has been offered by the gentleman from North Carolina is adopted. However, if my amendment is adopted, the entire bread tax will be stricken from the bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from North Carolina.

Mr. COOLEY. And you will then have a subsidy of \$1.25 per bushel coming out of the taxpayers of America?

Mr. FINDLEY. The general revenue would finance the entire cost of the wheat program, just as the general revenue has financed the entire cost of every other American farm program in history.

Mr. COOLEY. At \$1.25 a bushel subsidy.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CORMAN].

(Mr. CORMAN asked and was given permission to revise and extend his remarks.)

Mr. CORMAN. Mr. Chairman, I rise in opposition to both amendments.

For years, my constituents and, I am sure, the constituents of other Members representing urban and suburban districts, have been calling upon their Representatives to get the Federal Government out of the farm subsidy business. That objective can only be attained when farm surpluses have been reduced to the point where a free market, based upon supply and demand, is once again possible for agricultural products and when we find workable methods of insuring reasonable farm incomes.

The Department of Agriculture has been making significant progress in reducing surpluses. Since 1960 alone, the annual cost of wheat storage has been reduced from \$191 million per year to \$139 million per year. Reduction of farm surpluses must continue, and, therefore, control of total production must con-

tinue. Secretary Freeman placed this vital imperative at the heart of his wheat proposal. He proposed to end subsidies on wheat grown for export. He proposed extension of crop control and a resulting saving in storage costs to the taxpayer.

In order to effectuate these savings, he advocates a higher price to the wheat processor on that portion of wheat grown for domestic consumption. No one denies the need for cutting the wheat surplus and everyone agrees that farmers must be able to get a reasonable price on domestic wheat. The question is: Who pays the cost, the taxpayer or the giant wheat processors?

Chairman COOLEY proposes that the increased price should become a burden on the back of every American taxpayer, a burden that over the 4 years of this program will amount to \$600 million. Mr. FINDLEY proposes that not only the price increase but also the existing costs of wheat support should drain on Federal tax funds. This latter alternative will cost \$2.5 billion. Even in the Congress of the United States, where the expenditure of public money is no novelty, these figures must give us all pause for thought and, I hope, reconsideration.

The Cooley amendment and the Findley substitute are the culmination of a massive propaganda campaign directed against Members of this House and the general public. The giant wheat processors have threatened to raise the price of a loaf of bread by 3 cents if they are not spared the cost of the wheat program at the expense of the taxpayers. This arrogant threat is made in spite of the fact that the Secretary of Agriculture has conclusively demonstrated that even at a price increase of 1 cent a loaf, the wheat processors would be reaping immense additional profit. This threat is made in spite of that fact that the President's Committee on Consumer Interests has concluded that the wheat processors need not increase the price of bread at all in view of their already enormous profits.

And I might interject, Mr. Chairman, that as a Representative of the Los Angeles area, I view with particular alarm the fact that bread sells for approximately 30 cents a pound in Los Angeles while the same amount of bread is selling for approximately 18 cents in Detroit. As a member of the House Subcommittee on Antitrust, I have noted that last year, 12 large wheat processing firms were indicted for price fixing and violation of antitrust laws, and I intend to see to it that those prosecutions are pressed with all possible vigor.

The giant wheat processing firms have gone into Los Angeles markets and told the consumer that, unless the cost of the wheat program is shifted to the taxpayer, they will institute the price rise of 3 cents a loaf and that the Congress will have been responsible for this "bread tax." Mr. Chairman, that statement is nothing less than a slick exercise in semantics, joined to an artful twisting of facts. A "tax" is imposed by Government and the revenue is returned to the Government for public purposes. The supposed "bread tax" is nothing more than a completely unjustified price in-

crease instituted by private interests for private gain with absolutely no increase in Government revenue or the public welfare.

Secretary Freeman has proposed to the farmers that they continue to join in a reduction of farm surplus while the National Government supports a minimum fair price in return for their work in the fields. The people of the United States long ago determined that their Government should guarantee a basic decent standard for the labor of a workingman through the minimum wage, and no one has suggested the price of their final products should be subsidized by the Federal Government. But when the principle is applied to agriculture in an effort to terminate surpluses and subsidies, the "wheat trust" cries out in anguish, threatens the consumer with a rise in price, and attempts to blame the Members of this House for their black-jack tactics.

The cost to the taxpayer of the Cooley amendment is \$600 million; the cost of the Findley amendment is \$2.5 billion. I am strenuously opposed to both although I admit the Findley amendment deserves four times as much opposition.

I urge you to defeat both amendments and to support the Secretary of Agriculture in his efforts to end these raids on the Treasury. If we fail to take this first step toward the elimination of farm subsidies, we may never have another opportunity.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. DENT].

(Mr. DENT asked and was given permission to revise and extend his remarks.)

Mr. DENT. Mr. Chairman, when I was a young fellow when I went out shooting rabbits I tried to take a double-barreled shotgun with me because if I missed with the first shot—and that is the shot you try to kill him with because after you miss he is gone and you try to cripple him—this is a first shot of a double-barreled shot at a bad condition in the wheat program.

Mr. Chairman, I am going to try to help the fellow shoot the first barrel and if he misses with the first barrel and it does not kill it, then we will knock it off with the second barrel.

Mr. Chairman, I rise from the Democratic side of this body to discuss the pending agriculture bill (H.R. 9811). It is my intention to analyze in considerable detail section 5 of that bill. And, even though I am a Democrat, the issue that is involved here is not a partisan one. The label on a loaf of bread is not a party label. Nor is there advantage to be gained in exploiting this issue for political expediency.

I have studied this bill with care. I have given considerable thought to its implications, to the results that will flow from it, and to the moral lack of values inherent in it. For this is a bill that presages ill. We are arriving at a day close at hand when the Members of this

body will make a decision—apparently limited in scope and application—but which, in reality, has an undertow that drags down with it a segment of every-body's future.

My disagreement with Secretary Orville Freeman's concept of a bread tax goes far deeper than the 2 cents a loaf, far deeper than his emotional defense of section 5 of H.R. 9811. My question goes to the vitals of a precedent that we are being asked to establish—a precedent that would perpetuate subsidies by making them self-operative. Here, from scraps of expediency, there has been mounted a consumer-processor-farmer collage that would operate comfortably by itself without our further attention. For section 5 takes wheat payments out of the budget and cocoons them in comfortable ambiguity where they will be replenished by the hapless disadvantaged.

I assure you that I fully intend to point out the deformities in this type of maneuver. But, even before that, I want to drive home to each and every Member of this body a single and all-important fact: you are not being asked to decide on another detail of another farm bill. Not at all. Your vote for the bread tax in section 5 puts you on record as favoring a regressive tax that penalizes the lower income groups—those that most anxiously await our help. It was only a few weeks ago, when we took the taxes off golf clubs and fur coats, that President Johnson pointed out for us the road that the Great Society has set out upon:

We hope—

He said—

to provide further relief for those in our Nation who need it most—those taxpayers who now live in the shadow of poverty.

Can words be more eloquent, or can our purpose be more splendidly defined? Isn't this the true goal of all our debate: to make this a better world for all? And is this a mandate that we can so soon betray even at the behest of Secretary Freeman?

For there can be no doubt that Mr. Freeman has fashioned a farm bill that he intends to defend in every detail. He acts as though he would defend it down to the last consumer. And it is equally true that any farm bill is so gargantuan that it brings together special groups wanting to shout it down. I am not in any of these groups. My purpose is simply to point out the hidden dangers that lie planted in this patchwork field; dangers that will surely bring us a harvest of evil.

Just what is the issue, after all? Apparently the country, farmers and consumers both, have one thing in mind, while Mr. Freeman has something entirely different that is bothering him. He wants to balance his budget. But can this need be so great that he will defend his bread tax with such religious fervor? Here is a massive 4-year plan of subsidies that total over \$4 billion. The funds for this enormous plan come almost en-

tirely from the Treasury, except, that is, for the wheat provisions of section 5.

It is only in this part of the bill—one of its least important parts economically—that the Secretary proposes to shift the burden from the taxpayer to the consumer and thereby remove \$150 million from the budget. Is this the great pinnacle on which he wants to plant his flag of victory as Secretary of Agriculture? Even though that flag extends the shadow of poverty, of which the President has made us all so aware, and thrusts the lower income groups into even further darkness?

There is only one answer that fits all of the facts: Mr. Freeman's budget will look better. It is that simple. I must confess that I see a certain medieval parallel to the former habit of attacking peasants simply because they offered the least resistance. For it is today's consumers, especially those in the lower income brackets, who have been chosen from the lists as victims, and the Secretary has set out to harry them with energy worthy of a better fight.

The main issue, as we all know, rises above accounting procedures, above departmental fetishes. The main issue is the need to do social justice, and to fully recognize the needs of the farming community. Our Great Society, which is in the middle of a herculean attack on ignorance, poverty, disease, and the problems of the aging, can certainly devise systems to resolve the industrial revolution taking place on our farms without destroying basic concepts of social justice and common decency. Our purpose is to strike off shackles, not to devise new ones that hurt in new places.

But now I want to look at section 5 of H.R. 9811 with more precision. It can best be described in its potential operation as a doubly regressive excise tax, a rather exact definition in which each word has exact and full significance.

It is, first, an excise despite Mr. Freeman's disavowals, and it is such a tax within the narrowest and most ancient definitions of that term. Webster's New International Dictionary says that originally the term excise impost "was used only of the tax on commodities—which is generally an indirect tax, of which the burden falls on the consumer." Here is a forthright description of the bread tax. And even the First National City Bank has termed its operation as "similar to an excise tax." That is good enough for me.

And it is, second, a doubly regressive tax. Not only does it fail to consider the ability to pay as a yardstick, which would make it regressive, but more anachronistically it places that regressive burden on a commodity used more extensively by the poor than by the rich. Thus, the lower income group not only pay on the same basis as the rich, but actually pay more. This is well demonstrated by the following chart prepared by the First National City Bank showing that our lower income families use almost twice as much bread as families with incomes over \$10,000:

Wheat consumption by family income

Annual income per family	Percent of food budget for wheat products	Home use per person per week
		Pounds
Under \$2,000.....	6.6	3.8
\$2,000 to \$2,999.....	5.9	3.2
\$3,000 to \$3,999.....	5.8	2.8
\$4,000 to \$4,999.....	5.3	2.6
\$5,000 to \$5,999.....	5.1	2.6
\$6,000 to \$7,999.....	4.8	2.5
\$8,000 to \$9,999.....	4.6	2.3
\$10,000 and over.....	3.8	2.2

So you can see that it is not Palm Beach or Newport that will carry the burden of the bread tax. As a matter of fact, the bulk of it would fall on the largest metropolitan areas. Here is a rundown of the added food tab in those areas that would result from the bread tax:

Additional cost for bread and other wheat products in the 20 largest standard metropolitan statistical areas

	Million
New York, N.Y.....	\$23.6
Los Angeles-Long Beach, Calif.....	14.0
Chicago, Ill.....	13.8
Philadelphia, Pa.-New Jersey.....	9.6
Detroit, Mich.....	8.4
Boston, Mass. (metropolitan State economic area).....	6.8
San Francisco-Oakland, Calif.....	6.0
Pittsburgh, Pa.....	4.8
Washington, D.C.-Maryland-Virginia.....	4.8
St. Louis, Mo.-Illinois.....	4.8
Cleveland, Ohio.....	4.0
Baltimore, Md.....	4.0
Newark, N.J.....	3.5
Mineapolis-St. Paul, Minn.....	3.2
Houston, Tex.....	2.8
Buffalo, N.Y.....	2.8
Cincinnati, Ohio-Kentucky-Indiana.....	2.8
Milwaukee, Wis.....	2.8
Paterson-Clifton-Passaic, N.J.....	2.8

The public is alarmed at this departmental attempt and is letting all of us know how it feels by hundreds of letters. Meanwhile, the press and the economists have written so much about it that I am at a loss to select representative statements. Probably as good as any, because it preceded the present angry outcry, and because it is in the words of an eminent economist, Leon H. Keyserling former Chairman of the Council of Economic Advisers, as he testified before the Agriculture Committee of the other body recently on this bill:

It is a sad commentary that, at the very outset of a nationwide war against poverty the current legislation attempts to save a few hundred million dollars in the Federal budget (which might be collected through progressive taxation and wisely directed toward improved farm income) by imposing taxes upon the bread and rice which loom large in the diets of poor families, even while we are removing the excise taxes on many luxuries such as furs and jewelry.

And today's press carries a story headlined "Ten Percent Food Price Boost Hits U.S. Pocketbook" carrying as its lead paragraph:

The housewife who is paying a dime more for every dollar's worth of food than she did a year ago may be ready to swat whoever is responsible, but she will have trouble finding her target.

Her target turns out to be the same as Mr. Freeman's banner. And it is Congress that is being importuned to help carry that banner.

Section 5 is intended to give the farmer 100 percent of parity on that part of his wheat—45 percent—that is looked upon as domestic production. This quite proper goal is reached by adding 50 cents to the certificate cost paid by processors for every bushel of wheat that they process. This makes the wheat in a loaf of bread cost 25 percent more than it did before, and bakers say that bread will go up at least 2 cents a loaf. The administration says that this is too much. In fact, Mrs. Esther Peterson, Special Assistant to the President for Consumer Affairs, says that the bakers should be able to absorb it although the industry is now working on an overall profit margin of about 1½. Mr. Freeman says that it will likely be passed along and that this might be "half a cent" as he has just told the NBC's "Today Show," or seven-tenths of a cent as releases say from the Department of Agriculture. The President advised this body on April 5, 1965, that the new certificate "will increase the cost of a loaf of bread by a little more than 1 cent."

It matters little insofar as we are concerned. Meanwhile, labor reports that the result of the bread tax would be job shrinkage. Small bakers, unable to absorb losses, and equally distressed by the decreased sales volume at higher levels, fear that many of their number will go to the wall. And large members of the industry resent being used as tax collectors and having their narrow profit margins turned into large losses. In short, all sectors of wheat processing have joined hands in an unusual demonstration of solidarity to fight the Freeman bread tax.

I have studied their arguments, and I have studied the arguments of the Department of Agriculture. Neither side will find in me a champion. My argument is on behalf of all of our citizens. And, after all of the facts are in, I am led to the inevitable conclusion: this Congress cannot afford to play statistical games with the Great Society or word games with Secretary Freeman. We must examine H.R. 9811 with sympathetic understanding for the problems of the farmer, and with compassion for the 35 million who, according to the Office of Economic Opportunity, have less than 23 cents to spend on each meal. And we must do this on merit, not on slogans.

I, therefore, intend to submit for the consideration of this body at the proper time an amendment to section 5 that will provide these benefits for the farmer, and would provide them exactly as outlined by Mr. Freeman's bill. But my amendment will ask that the funds required shall come from our taxpayers, rather than from the disadvantaged in the form of a bread tax, and that these funds shall properly be noted in our budget and be made available from the U.S. Treasury.

HOW MUCH WILL BREAD PRICES INCREASE?

The Department of Agriculture has arrived at its seven-tenths of 1 cent per pound increase by taking the 2.7 cents which it says is the amount the wheat farmer receives out of the retail price of a pound of bread, and multiplying that

2.7 cents by 25 percent, because the proposed increase of 50 cents in the wheat support level is a 25-percent increase over the prevailing \$2 per bushel price of wheat.

This gives a figure of slightly under 0.7, which is rounded to seven-tenths of 1 cent. This amount is what the Department claims is the added cost to the consumer from this proposed increase in the support level for wheat.

The bread baker, on the other hand, must calculate his costs based on the prices he pays for the flour used in the product. In calculating the impact of the proposed 50 cents per bushel increase, he must also add the increase of 18 cents a bushel resulting from this year's certificate plan which so far has not been reflected in higher bread prices. Thus, he must start with a total of 68 cents a bushel as the added cost to him. He multiplies this 68 cents by a factor of 2.35. This represents the number of bushels required to make a hundredweight of flour. This gives a figure of \$1.60 which is the increase per hundredweight of flour over previous price levels. Since a baker will get approximately 150 pounds of bread from a hundredweight of flour, it can be seen that this \$1.60 results in slightly more than a direct cost increase of 1 cent per pound of bread.

To this additional cost of the flour used the baker must add the percentage commission which driver-salesmen will receive, averaging 12 percent. The grocery markup, approximately 20 percent, must be added to this figure. Since a penny is our smallest unit of currency, the housewife necessarily will be forced to pay 2 cents more for that 1 pound in the grocery store.

FACTS ABOUT THE FREEMAN WHEAT PROPOSAL

The proposal would subsidize a small number of wheatgrowers and other interests at the expense of the wheat processing and baking industry, and ultimately at the expense of the American consumer.

A 25-percent increase would be effected in the domestic cost of wheat—from \$2 to \$2.50 a bushel.

This price increase would be passed on to American consumers in the form of higher bread prices.

President Johnson states that the increase in the cost of wheat will "increase the cost of a loaf of bread by little more than 1 cent."

Industry studies show that, by the time the increase reaches the consumer, it would amount to about 2 cents for a 1-pound loaf, with similar increases on cereals, spaghetti, and other wheat products.

The Freeman proposal hits hardest at the poor:

There are 35 million people in the country who have 23 cents a meal or less to spend.

In families with incomes under \$2,000 a year, consumption of bread and other wheat products, per person, is 1¾ times as high as in families with incomes of \$10,000 or more.

Yet the Freeman plan would burden the poor with the 2-cent-a-loaf bread tax at the same time that the administration is seeking removal of luxury taxes—on furs, jewelry, and other

items—paid mostly by higher income groups.

Bakers and processors will have to pass on the 25-percent increase in the price of wheat. The largest baking company in the country estimates that the Freeman program would cost it a minimum of \$12 million; but its profits last year were \$9 million.

Most of the benefits under the proposal would go to the wealthiest wheat farmers:

Increased payments to wheat farmers under the plan would amount to about \$150 million a year.

Over a third of this money would be split among the top 3 percent of wheat producers.

About three-quarters of the money would go to the top 15 percent of wheat-growers.

The other 85 percent of wheatgrowers, around 1.5 million of them, would realize an average in the range of only about \$25 apiece from the program.

Even the so-called increased payments to wheat farmers are largely illusory. Compare the following average annual price support levels for a bushel of wheat:

1962-63 (loan rate)-----	\$2.00
1963-64 (loan rate of \$1.82+18-cent payment-in-kind-certificate)-----	2.00
1964-65 (loan rate of \$1.30+average receipts from domestic and export certificates)-----	1.73
1965-66 (loan rate of \$1.25+average receipts from domestic and export certificates)-----	1.69
1966-67 when the Freeman program would become effective (loan rate of \$1.25+average receipts on all wheat from domestic certificates)-----	1.83

To get 100 percent of parity, the farmer would have to be paid \$2.53 a bushel on all his wheat.

Most wheatgrowers do not want the program anyway. The Freeman proposal is an only slightly revised version of the program which farmers voted down in their last referendum, held in May 1963.

The whole complex of industries which profit from the wheat program—the suppliers of machinery, seed, fertilizer, and the like—will benefit from the consumer's payments, but will make no comparable payments of their own.

The higher bread prices paid by American consumers will be used to finance wheat exports to foreign countries at about one-half the domestic price. In other words, consumers alone will have to make up for wheat farmers' inability to get along at low world prices—although the farmers' situation is properly the concern of the Nation as a whole.

Wheat—along with rice, which was reported—is the only commodity in the Freeman program to be singled out for regressive consumer financing of this kind. The feed grain and cotton programs, which in 1965 cost the Treasury over \$2 billion, would be continued with Treasury financing.

COSTS OF WHEAT PROGRAM

Wheat: The wheat certificate plan adopted in 1964 provides: \$2 per bushel for those who cooperate—in 1965; \$1.25 per bushel from the market; 75 cents per

bushel in direct consumer cost or \$375 million in 1965.

In 1966-69 under H.R. 9811: \$2.50 per bushel for those who cooperate; \$1.25 per bushel from the market; 75 cents per bushel direct consumer cost as 1965 or \$375 million; 50 cents per bushel additional or \$250 million or a total of \$625 million per year for the next 4 years.

COST OF WHEAT, FEED GRAINS, COTTON, AND RICE

Wheat: 1965, \$375 million in direct consumer costs from 75 cents certificate; 1966, \$625 million in direct consumer costs from \$1.25 certificate under H.R. 9811 or \$250 million less as additional 50 cents per bushel is deleted.

Feed grains: 1965—\$1.51 billion, direct Government costs; 1966, \$1.6 billion, direct Government costs under H.R. 9811.

Cotton: 1964, \$860 million, direct Government; 1965, \$725 million estimated to be direct Government costs under H.R. 9811.

Rice: 1965, \$170 million, direct Government costs; 1966, \$170 million as there is no charge in rice program in H.R. 9811.

In recent weeks there has been considerable confusion concerning the wheat section of the pending farm bill. Particularly as it is related to the so-called bread tax. I think there is a need to get a better understanding of this issue.

In 1964 the Congress adopted a farm bill that included for the first time the so-called wheat certificate plan. In essence it said that if a wheat producer cooperated in the program he would get \$2 per bushel for the wheat that was used for domestic purposes—\$1.25 per bushel of this would come from the market and the additional 75 cents per bushel would be paid for in the form of a direct consumer cost by requiring that wheat processors buy certificates for 75 cents per bushel. This meant a direct consumer cost of \$375 million in 1965.

Under H.R. 9811 the same certificate program would be continued for 4 more years. Under the bill wheat producers who cooperated would receive \$2.50 per bushel for wheat used for domestic purposes—\$1.25 per bushel would come from the market. The increased 50 cents per bushel would come by raising the wheat certificate cost from 75 cents to \$1.25 per bushel. This means that the direct consumer cost would be increased from \$375 million to \$625 million per year for the next 4 years.

I have indicated that I was opposed to increasing the certificate 50 cents and thereby saddle the consumers with the increased cost. However, I think it is important that we understand the basic principals involved in this program. All we are doing by deleting the 50 cents from the bill is avoiding any increase in the direct consumer cost of the wheat program. The consumers still will continue to pay the \$375 million per year that they are currently paying.

So the issue is not whether you are for or against the so-called bread tax. The issue is whether you are for the consumers paying three-fifths of the cost of the bread tax or whether you are for consumers paying all of the bread tax cost.

Personally, as a matter of principle, I believe we should treat all commodities alike. I opposed adoption of the bread tax idea a year ago. I still am opposed to it.

Members of the House should realize that we are currently paying \$1.5 billion directly out of the U.S. Treasury for the feed grain program. It is estimated that under H.R. 9811 that this will increase to \$1.6 billion. In the case of cotton we are paying \$860 million directly out of the U.S. Treasury. Under H.R. 9811, it is estimated that this will be somewhat reduced to \$725 million. I am hopeful that it will be reduced to that figure.

In the case of rice we are currently using \$170 million directly out of the U.S. Treasury and the bill does not contemplate any changes in the rice program.

It seems to me that it is grossly unfair to be paying the feed grain, cotton, and rice directly from the Treasury and in the case of wheat we attempt to saddle part of the cost of this program on the consumers.

I have an amendment which would completely eliminate the bread tax provision from the wheat section and put the wheat program on the same basis as the other agricultural commodities. This would involve costs of only \$625 million a year—less than half of what the feed grain program is costing and less than the cotton program costs. If we are going to substitute direct payments to farmers for price supports and export subsidies, we should treat all commodities alike. If it is sound to appropriate money for payment to cooperating producers of feed grains, cotton, and rice, it is equally sound and right to appropriate funds for payments to cooperating wheat producers. We ought to quit kidding ourselves that the wheat certificate plan is not a Government payment program and that it does not really cost anybody very much. The requirement that wheat processors buy certificates, which would be repealed by my amendment, is a processing tax which is assumed by those least able to pay. Under my amendment the cost of the wheat program would be charged against general revenues which are collected with some consideration of the ability to pay.

1964 annual summary—Crop production, Dec. 18, 1964: All wheat

	Harvested acres	Yields per acre harvested	Production
	1,000 acres		1,000 bushels
1949-----	75,910	14.5	1,098,415
1950-----	61,607	16.5	1,019,344
1951-----	61,873	16.0	988,161
1952-----	71,130	18.4	1,306,440
1953-----	67,840	17.3	1,173,071
1954-----	54,356	18.1	983,900
1955-----	47,290	19.8	937,094
1956-----	49,768	20.2	1,005,397
1957-----	43,754	21.8	955,740
1958-----	53,047	27.5	1,457,435
1959-----	51,781	21.7	1,121,118
1960-----	51,896	26.2	1,357,272
1961-----	51,551	24.0	1,234,743
1962-----	43,541	25.1	1,093,667
1963-----	45,209	25.3	1,142,013
1964-----	49,170	26.2	1,290,468
USDA estimate for harvest, July 1, 1965-----	49,846	27.2	1,353,813

Source: U.S. Department of Agriculture, Statistical Reporting Service, Crop Reporting Board, CR-PR2-1(64), Washington, D.C.

COMPARISON OF EXPENDITURES FOR GOVERNMENT
CROP SUBSIDY PROGRAMS

Secretary Freeman has proposed—title I of H.R. 7097 and S. 1702—to transfer virtually all the costs of the wheat subsidy program from the Government to the consumer by increasing the tax on wheat for domestic food consumption. This will result in a tremendous burden on the bread-consuming American public, and particularly on low-income groups.

What are the Government's costs of the wheat program? How do they compare with costs for other crop programs? The wheat program now in effect produces a relatively small expense to the Government in comparison with other crop programs. The following table shows Commodity Credit Corporation price support and related expenditures for major crops:

Costs of price support programs¹

Crop	Fiscal 1964	Fiscal 1965
Corn.....	\$990,000,000	\$1,079,000,000
Upland cotton.....	314,000,000	738,000,000
Grain sorghums.....	224,000,000	218,000,000
Wheat.....	319,000,000	151,000,000

¹ Source: Hearings before the Senate Committee on Appropriations on H.J. Res. 234, 89th Cong., 1st sess., pp. 28-34 (1965).

NOTES.—Costs include domestic price support and export subsidy but do not include Public Law 480 (food for peace program) expenditures. Costs for fiscal 1965 are estimated.

In comparison with other major crops, wheat expenditures are minimal. If there is any need to reduce Government expenditures in the farm subsidy program, attention should be directed to other commodities where there is ample room for reduction of Government costs. For example, Government price support subsidies for corn will cost in 1965 about seven times as much as for wheat—over \$1 billion.

Government expenditures for wheat price support subsidies have declined markedly under the program put into effect last year. That program has already transferred a major portion of the subsidy cost directly to the consumer. Any further increase in the transfer of wheat subsidy costs to domestic consumers is totally unwarranted.

POSITION PAPER OF AMERICAN BAKERY AND
CONFECTIONERY WORKERS ON DEPARTMENT
OF AGRICULTURE PROPOSAL FOR WHEAT PRICE
INCREASE

The American Bakery and Confectionery Workers' International Union, AFL-CIO is deeply concerned with the affect which an increase of 50 cents a bushel of wheat in the value of the domestic wheat certificate would have on the jobs and job security of our members, most of whom are engaged as production workers in bread, biscuit, cracker, macaroni, cake, pretzel, cereal, and other plants producing wheat products.

The proposal for this increase, contained in H.R. 7097 and S. 1702, is obviously intended to provide the farmer with a guaranteed and more just return for the product he produces. We are in favor of the farmer being treated fairly and feel that the increased payment sought is fully justified.

We do, however, sharply take issue with the means being sought to attain this greater measure of justice for the farmer. The method suggested might provide the farmer with a more just return, but we are certain

that the farmer would prefer to achieve the justice he seeks without bringing about injustice to other segments of the population.

THE PRICE OF BREAD

It is generally conceded, by the Secretary of Agriculture and in the letter of transmittal of President Johnson which accompanied the omnibus agriculture bill, that the proposal will result in an increase in the price of bread to the consumer. It is also generally recognized that this increase will come to approximately 2 cents per pound of bread—or roughly an increase of 10 percent per pound for this basic food staple. In short, the consumer is expected to bear the full cost and more of this increase of wheat subsidy.

EFFECT ON THE MARKET

Such an increase in the cost per pound of bread and other wheat products is bound to be reflected in a further decrease in the per capita consumption of wheat and wheat products. Today the per capita consumption is down to less than 120 pounds—and going lower—as compared with over 200 pounds per capita 50 years ago.

The proposal is, as we see it, in direct conflict with the U.S. Department of Agriculture's recent action in encouraging an organization for the promotion of wheat and wheat products in which growers, millers, processors, industry, and labor are cooperating.

EFFECT ON JOBS AND JOB OPPORTUNITIES

With the substantial increase in the price per pound of bread, which is fully expected by the proponents of the proposed legislation, we foresee the flight of still more consumers from the bread and wheat products shelves of our urban and rural grocery stores and markets.

Such a rout will immediately bring its toll among those marginal bakeries in which production bakers are now employed. Most of these marginal operations are making heroic efforts to attain stability and are nearing success. The legislation, if adopted, will provide them with a coup de grace. These businesses will be forced to close and the workers will be out of work.

The price increase will also have its effect on the larger wholesale companies because of the shrinking market we feel is the inevitable results. This too, will mean further loss of jobs.

We cannot too strongly emphasize that bakery production workers have been suffering and are presently suffering a sharp reduction in the number of job opportunities for workers employed in the industry. According to the U.S. Department of Labor there were 200,000 production workers in the bakery products industry in 1950. By 1964 the number had shrunk to 165,700 and the latest figures for February 1965 (Monthly Labor Review for April 1965) places the number of production workers at 160,800.

A recent survey by the Department of Labor on the effects of technological changes and automation on future employment, in 36 industries studied, places the baking industry high on the list of those industries which will continue to suffer a continuing decline in the number of production workers.

This proposal, added to the existing as well as the predicted impact of automation on the jobs and job security of our union members, will guarantee a quickening of the rate at which production jobs will disappear.

THE POVERTY PROGRAM

We wish further to point out that this increase of 50 cents in the value of the domestic wheat certificate and its accompanying increase in the cost of bread and other wheat products will have an adverse effect on those whom we are all trying to help through the war against poverty program. The American Bakery and Confectionery Workers' International Union, along with the rest of the or-

ganized labor movement, supports the anti-poverty war without reservation. We must point out that the 23 cents per meal menus, developed by the U.S. Department of Agriculture, quite properly recognizes and places an emphasis on the value of bread, biscuits, cookies, and other wheat products. We need not belabor the obvious result which the increased cost to the consumer of the "Staff of Life" will bring to the pitiful 23 cents per meal menu put forth as possible under a poverty income. The proposal is inconsistent with and against the best interests of the program being developed and offered to families that come within the scope of the anti-poverty program as far as their basic supply of daily food is concerned.

FOR A SUBSIDY TO THE FARMER

We are in favor of a subsidy to the wheat farmer to provide him with full parity payment. We are, as we have stated, in sharp disagreement with the method proposed to meet this necessary objective. The objective can best be achieved by direct payment of the subsidy from general funds of the Government rather than through placing an increased burden on the consumer of wheat products. The economic well-being of the farmer is not alone the concern of the wheat products consumer but of the entire Nation. For this reason we pledge our support for an amendment to the proposed legislation which would provide for this more desirable method of providing a more just income to the farmers and, in our opinion, similar support should come from all wheat users.

THE WHEAT USERS COMMITTEE,
August 9, 1965.

SMALL FARMERS TAKE THE RAP

To Congressmen from soft wheat States. From the Wheat Users Committee.

Approximately 480,000 small farmers in 21 States have no part in the Department of Agriculture's wheat program. These farmers grow soft wheat, which is not in surplus but which is treated the same as lower quality wheat under the Department's certificate plan.

In fact, these farmers are actually harmed by that program. This is a fact that is studiously avoided by the Department of Agriculture and by the friends of the big farming organizations in Congress. And understandably so.

Altogether, there are more than 800,000 small soft wheat farmers in these 21 States. Only about 320,000 have signed up under the wheat program. The remaining 480,000 have no voice in the program that is imposed upon them.

TWENTY-ONE STATES GROW SOFT WHEAT

The six principal soft wheat States are Ohio, Michigan, Illinois, Indiana, Missouri, and Pennsylvania. Between them they contain some 585,000 small farms, and of these, less than 230,000 have entered into the Agriculture Department's wheat program. Other States that have substantial numbers of small soft wheat farms are: Alabama, Arizona, Arkansas, California, Georgia, Kentucky, Louisiana, Maryland, New York, North Carolina, Oregon, South Carolina, Tennessee, Virginia, and Washington.

A typical example is the State of Michigan. There are about 143,000 soft wheat farmers in that State, and they have 1,200,000 acres under cultivation. Yet only 47,000 have signed up under the wheat program, leaving 94,000 Michigan farmers who have little or no voice in wheat legislation.

FARMERS GETTING LESS FOR THEIR WHEAT

The small farmers were getting slightly more than \$2 a bushel for their soft wheat in 1964, before the certificate plan went into effect. Two months later the price had dropped to \$1.40, and it has continued in this range.

So today some 480,000 small farmers are actually getting 60 cents less for each bushel of wheat they grow than they did prior to the start of Mr. Freeman's certificate program.

Theoretically, of course, these farmers could come under the program. However, it was designed, not for them, but for the large farms in the plains States. The national average of soft wheat farms is about 12 acres, and by the time a farm of this size reduces its acreage, sets aside a percentage for export, and complies with other regulations, the owner finds it's simply not worth while.

BUT CERTIFICATES STILL NEEDED

And this is only part of the story. Millers have to buy certificates on all of the wheat they process. Today these certificates are 75 cents a bushel. Under the proposed farm bill they will be \$1.25. Consequently, millers are paying more for their wheat, while the small farmer is getting less than he did before the program went into effect.

Where does the money go that is collected from millers and not paid out to farmers who have not joined the program? The bulk of it goes to 15 percent of the Nation's farms, or that is, the huge farms in the plains States. The balance, or about 40 percent is retained by the Agriculture Department, thereby assisting in balancing the Department's farm budget.

As a result of this program, soft wheat flour has gone up in cost, and production in the six principal soft wheat States is about 50 million tons less than it was a year ago. This, of course, means reduced income to the soft wheat farmer.

GIANT FARMS GET THE BENEFIT

In summary: soft wheat flour is up in price; the small farmer gets less for his wheat; consumers pay higher prices for baked goods; and many small bakeries are forced out of business, thus creating unemployment among bakery workers.

The ones who gain the most from the program are the giant farms, and the amount they rake in will jump substantially under the farm bill now being considered by the Congress.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. BERRY].

(Mr. BERRY asked and was given permission to revise and extend his remarks.)

Mr. BERRY. Mr. Chairman, I am opposed to any amendment to this bill which would provide for payment of the domestic wheat allotment certificate out of commodity credit appropriations or directly from the Treasury.

There are three principal reasons why I had decided to support this bill. Not because I think it is the best bill that could be written, not because I expect it to save the Government any money, and not because I expect it to reduce production, but because it will, in the overall, I believe, increase the return the farmer gets for his production.

The section extending the National Wool Act is probably the best section in the bill. It provides for a 4-year extension, with a 2-cent increase in the support price. This should be a larger increase, but under the circumstances, probably will take care of most of the increased cost of operation during the next 4 years. What the sheep and wool man wants actually is not a support price, but a tariff to protect himself against cheap foreign imports that have

ruined and are continuing to ruin his business.

The second reason I am supporting the bill is because under this bill I think the price of feed grains will remain at a reasonably high level. When feed grains are at a good price, beef and meat generally remain at a good price unless, like 2 years ago, the price is beaten down by excessive imports. My State is a heavy beef and meat producing state.

The third reason I had decided to support the bill is because of the wheat section. At long last we are removing part of the subsidy the consumer has been receiving on his bread for a number of years.

The wheat support program has through the years subsidized the consumer of bread because the wheat in the loaf of bread has cost more to produce than the consumer was paying, and the Treasury was picking up the difference. True—the check went to the farmer—but the subsidy went to the consumer.

Now—when the committee comes out with a bill to take from the consumer a portion of that subsidy and make him pay a little more of the cost of his bread—what happens? They want to amend the bill to go back to the Treasury instead of the consumer's pocketbook.

Mr. Chairman, I opposed a rent subsidy. I am equally opposed to a food subsidy. When that bread subsidy was reduced by the bill I felt this was a long step in the right direction, but I am vigorously opposed to now going back down the hill and paying a substantial part of the cost of the production of the wheat in that loaf of bread out of the Federal Treasury.

As was said in a Washington Post editorial, under date of August 17, 1965, when they were pointing out this consumer subsidy, they said:

The vote today will disclose how much real support there is for getting agriculture back on a basis where it gets its support from the market place instead of from the Treasury.

It is no more wrong to pay for people's rent than it is to pay for people's bread. I oppose these amendment because under the bill consumers will pay more nearly the cost of production of the wheat in the bread they eat. We should not expect the taxpayer to pay it for them.

(Mr. BERRY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. HUNGATE].

Mr. HUNGATE. Mr. Chairman, we have heard considerable talk here about a bread tax. I call the attention of the membership to the very clear remarks presented by the gentleman from Iowa [Mr. SMITH] 2 days ago when he laid that rumor to rest in demonstrating the price of flour. I think at \$1.15 a bag and 10 pounds of cow manure, at the same price and as far as I know the taxpayers are not knowingly subsidizing cow manure.

The CHAIRMAN. The chair recognizes the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, with all respect to my colleague from Illinois [Mr. FINDLEY], and I address these remarks to Members on both sides of the aisle, this amendment is designed to destroy the wheat title of this bill. What we would do in adopting this amendment is to take a step backward. I frankly admit that I believe in the certificate system.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Wisconsin.

Mr. STALBAUM. Is it not true if we were to adopt the Findley amendment it would add \$2.5 billion in the next 4 years to the cost of the farm program?

Mr. FOLEY. The gentleman is absolutely right.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Illinois.

Mr. FINDLEY. And if my amendment is not adopted, then the \$2.5 billion will be placed on the poor people who buy the bread.

Mr. FOLEY. The gentleman knows there is no justification in the charge that the millers were forced to pass on this cost under the 1963 program. That has already been done.

The gentleman also knows that the price of bread has gone consistently up over the last 13 years, while the price of wheat has gone down.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. DONOHUE].

(Mr. DONOHUE asked and was given permission to revise and extend his remarks.)

Mr. DONOHUE. Mr. Chairman, I rise in support of this amendment providing, in effect, that the increased wheat price supports, projected under title V, will come from General Treasury funds instead of certificate and loan-level procedures of the Commodity Credit Corporation.

According to recognized authorities, no matter how the present language on this subject of title V may be interpreted or applied, it will realistically result in an inevitable increase in the price of a loaf of bread. Such a price increase now would be almost tantamount to placing a very high sales tax on a necessity of life and would be ironical, indeed, in view of our quite recent legislative action in reducing and eliminating excise taxes on such alleged luxury items as furs, diamonds, cosmetics, automobiles, and so forth.

However, beyond and above this obviously contradictory tax action an increase in the price of bread today would unquestionably project seriously adverse economic reactions upon consumers in the lowest income groups and to the industries involved. It would also and undoubtedly result in providing an unfair advantage to foreign competition against those engaged in our domestic wheat industry and tend to eliminate a

significant number of job opportunities at a time when our unemployment rate is of vital national concern.

Certainly very few, if any, Members here are opposed to the idea of trying to give the farmer in this country a more equitable return for his work and on his investment than he is, on the average, experiencing now. The real question and problem before us, in this matter, is to find the most prudent method through which this objective can be accomplished.

Precisely on this point it would appear that, as a matter of simple justice, the Nation, as a whole, should provide for any support payments to the wheat farmer out of General Treasury funds rather than have consumers of wheat products singled out as a sole particular group to assume a national overall obligation.

Certainly we should legislatively find a way to deal justly with the farmer without having to impose severe injustices upon the consumers and the workers and the domestic industries involved in bread and bakery production.

Mr. Chairman, there are a great many basic programs, including provisions wholesomely affecting our wool, cotton, dairy and feed-grain industries, contained in this bill, as well as other essential activities that are necessary and desirable, and of broad and real benefit to the general public as well as the farmers in this country. It is obvious that these programs, with improving modifications where required, should be legislatively continued in order to avoid economic chaos throughout agriculture and associated industries.

Mr. Chairman, a good part of our national interest and progress is, indeed, connected with this measure, and with the adoption of this proposed amendment, I believe that the basic purposes of the bill, to maintain farm incomes, to stabilize prices, to reduce surpluses, lower Government costs, and afford greater economic opportunities, will be more truly and lastingly achieved.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 32, noes 93.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DOLE

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: On page 43, line 19, after the words "wheat so stored", strike out the period and quotation mark and insert the following: ", and a married producer shall be deemed to be in compliance with the provisions of this Act unless the Secretary finds: (1) Managerial control of a noncomplying farm by either husband or wife is shared by the spouse, or (2) There have been changes in the operations or managerial control of a noncomplying farm which would tend to negate the offsetting compliance provision for either spouse."

Mr. DOLE. Mr. Chairman, this amendment very simply permits a man and wife to live in the same household and still comply with the farm program.

I would point out one of the great problems with the farm program is what happens between the time we act in the Congress and the time the USDA draws up regulations.

Let me illustrate by pointing out that I visited with a lady only last week whose husband had passed away in 1948. In 1951 she purchased a quarter section of land and later she remarried. Her second husband owned his own land. She operated her quarter section of land on her own through all the years from 1948 to 1965, and still does. Her second husband operated his land, but was informed last year that he would have to give up his wheat program benefits because his wife overseeded her wheat allotment. He was in compliance on his land but the USDA ruled the land must be treated as a unit.

Let me read what the Department has to say with reference to husbands and wives. I would agree if they each own an interest in the land, or share in the profit, the land should be considered one unit, and this is provided in the amendment. The Department in its letter dated August 17, 1965, stated:

Therefore, we hold the opinion that husbands and wives, as well as minor children, who share the same household may not be considered as separate producers in determining the compliance of one family member under the offsetting-compliance requirement of the feed grain and wheat programs.

Now we hear a lot of talk about the family farm and keeping the family farms together. All I seek to do by this amendment is to make it possible for a legally married couple to live in the same dwelling and still each participate in the farm program. In the particular case I refer to the State ASC office granted relief this year but it is about seeding time again and according to the ruling of the Department of Agriculture, it would be necessary for Mrs. X to live in another household. If this were done then they may operate their farms separately and participate or not in the "voluntary" wheat programs. Yes, I agree this sounds ridiculous—but true.

I see no reason why my amendment should not be adopted, and would emphasize this case again points up one thing that makes it so difficult for the farmers to understand what Congress intends when it passes a farm bill. The couple I speak of are happily married and wish to stay happily married. They do not want a farm program to come between them and their happiness.

The letter written by this lady to the ASC committee—omitting names—is as follows:

APRIL 17, 1965.

On April 5, 1948, my husband, ———, died. We had a son, ———, who was 2 years old.

At the time of my husband's death he was renting 345 acres of land ———. After his death I asked for a chance to continue farming the land. The landlord agreed to let me try for a year and see how I got along. I kept my husband's machinery and started farming. The arrangement proved satisfactory to

both the landlord and to me and I continued farming.

In 1951 I bought 164 acres of land and farmed this along with my rented land. In 1958 I gave up my rented land but continued farming my own farm. I have always understood that the ASC program was voluntary and inasmuch as I was owner-operator of my farm, and it had been carried as a separate unit for several years, I decided to forfeit my right to certificates and overseeded my wheat allotment last fall. Except for one previous year, I have always complied with the program.

September 21, 1964, my present husband, ———, received a letter from the ASC office advising that a tract of land belonging to me was being carried as a separate unit, and that unless there was some unusual circumstances surrounding my particular case, the committee felt they would have to combine my land with my husband's land. After receiving this letter I immediately contacted a county committeeman and showed him my canceled checks pertaining to the operation of my farm, and stated that I was not just starting to farm but had done so for 17 years, and was considered self-employed by the Social Security Administration. I also pointed out that I bought the farm before I married, ———, and felt I should not lose my individuality because I was married.

My husband receives no compensation from my farm, and the farm is under my management. I keep my own bank account, pay my own expenses, and deposit my income to my own account. I borrow money for operating expenses independent of my husband. I have wished to keep my business separate because of my son, who was not adopted by ——— when we married.

I asked my county committeeman, ———, to look at my cancelled checks, deposit slips, and other records regarding my business. ——— done this and advised the other county committee members and the fieldman of my farming arrangement, and they replied that on the basis of their information they could not see where my farming operation should interfere with my husband's, because my farm had been carried as a separate unit for several years. On the basis of this information I planted approximately 135 acres of wheat and fertilized it. Now, week before last when my husband called at the ASC office, he was informed that he would not be eligible for his certificates because I was overseeded. My husband has complied with the program.

I feel that inasmuch as I have farmed for 17 years, and that the law prohibiting me from occupying the same household with my husband was not in effect at the time I was given permission by my county committee to continue carrying my farm as a separate unit, that I should be allowed to continue as a separate unit for this year.

It is now too late for me to plow up my wheat and plant something else as the moisture is set and I would be out more money for seed, labor, etc.

I feel that my case is exceptional and that it should be given special consideration.

The reply from the USDA to my inquiry about this matter is as follows:

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE,

Washington, D.C., August 17, 1965.

Hon. BOB DOLE,

House of Representatives.

DEAR MR. DOLE: This is in reply to your telephonic request for a statement of the Department's offsetting-compliance rules as they apply to husbands and wives.

To be eligible for payments under the wheat program, we require that a producer comply with the wheat allotment on all farms

in which he shares in the wheat crop. The obvious objective of this provision is to avoid making payments to a producer on one farm when such producer has excess acreage of the crop on other farms.

In the application of this provision, husbands and wives generally are considered as having a joint interest in land or crops in which either party has an ownership interest. In this connection, we quote below the procedure under which our field offices administer this provision:

"Husbands and wives: Shall be considered as having a joint interest in land or crops in which either party has an ownership interest unless all of the following conditions are met:

"(a) They do not share in the same household.

"(b) Managerial control of the noncomplying farm by either husband or wife is in no way shared by the spouse.

"(c) There have been no changes in the operations or managerial control of the noncomplying farm which would tend to negate the offsetting compliance provision for either spouse."

While we recognize that members of an immediate family, sharing the same household, do not always make mutual decisions concerning all matters pertaining to the affairs of each individual, it would be difficult to assume that such decisions are not directed toward the best interest of the family unit or that the family unit would not share in the benefits or losses resulting from the decision.

Therefore, we hold the opinion that husbands and wives, as well as minor children, who share the same household may not be considered as separate producers in determining the compliance of one family member under the offsetting-compliance requirement of the feed grain and wheat programs.

Since these programs are devised to benefit farming and farm families, we feel entirely justified in requiring the family unit as a whole to comply with the essential provisions stipulated by the Congress.

The offsetting-compliance provision is equally applicable to the feed grain program.

Sincerely yours,

H. D. GODFREY,
Administrator.

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. DOLE].

The question was taken; and on a division (demanded by Mr. DOLE) there were—ayes 63, noes 67.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. RHODES OF PENNSYLVANIA

Mr. RHODES of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RHODES of Pennsylvania: On page 47, following line 7, insert the following new section: "Notwithstanding any other provision of law the provisions of the Agricultural Adjustment Act of 1938, as amended, and the provisions of the Agricultural Act of 1949, as amended, shall not apply to Soft Red Winter wheat, or to Soft White wheat produced east of the Mississippi River."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman from North Carolina.

Mr. COOLEY. I wonder if we could agree on a limitation of debate on title V and all amendments thereto to 20

minutes? I ask unanimous consent for such a limitation.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. QUIE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that debate be limited to 30 minutes on title V and amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. LATTA. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on title V and all amendments thereto close in 30 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. LATTA) there were—ayes 73, noes 52.

Mr. LATTA. Mr. Chairman, I demand tellers.

Tellers were refused.

So the motion was agreed to.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. RHODES of Pennsylvania. Mr. Chairman, I know that the distinguished chairman of the Agriculture Committee and members of his committee have worked hard to come up with a good program that will help the Nation's farmers and will be in the public interest.

My amendment is not designed to cripple this program, but to improve it. It would exclude Soft Red Winter wheat and Soft White wheat produced east of the Mississippi River from provisions of law which provide for acreage allotments, marketing quotas, marketing certificates, and price supports. One of the reasons that House Members from Eastern States have opposed farm legislation is because wheat grown in these States is not in surplus. These programs are not needed for Eastern Soft wheat. This type of wheat amounts to about 15 percent of the total wheat crop.

Many Pennsylvania farmers, including farmers of my Sixth Congressional District, are interested in this amendment. My district does not only produce this type of wheat, but uses much of it in the pretzel-baking industry.

The art of pretzel baking has earned the city of Reading, Pa., the title of the Pretzel Capital of the World. The Nation's largest producers of pretzels are located in this area which I represent. You will remember such pretzel brands as Quinlan's and Bachman's. Their products can be found on shelves in big stores here in Washington and throughout the Nation.

It was often said that a machine would never be made that could twist pretzels. But automation has come to the pretzel industry. They have invented a machine that can twist pretzels. Nevertheless, this industry gives employment to hundreds of citizens in my district.

These pretzel firms, and numerous other bakeries which need soft wheat, are important to the economy of my district. They are interested in this

amendment, which I hope the committee will approve. This amendment is not only important to my district, but to many others in Eastern States.

Most of the farmers I represent are not in accord with some farm leaders who oppose all liberal and progressive legislation. They are good citizens who want to cooperate with their Government in an effort for a good farm program. They only ask that consideration be given to their views on this legislation. This amendment, if adopted, would meet most of the objections that eastern farmers have to this bill. I ask, Mr. Chairman, that the amendment be approved.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman.

Mr. LATTA. I would like to commend the gentleman for offering this amendment and associate myself with his remarks.

Mr. DOWNING. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Pennsylvania. I yield to the gentleman.

Mr. DOWNING. I would like to say that I commend the gentleman for his remarks. One of my wheat farmers called me about this, this morning, and asked why this particular type wheat was placed in the program. He said it should be eliminated from the farm bill and I am inclined to agree with him. I have supported this program off and on in the past but I do not believe I can support it much more unless we can get the farmers in my district satisfied with it. I believe your amendment will help.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Chairman, I wholeheartedly support the amendment now pending. It is well thought out and highly important to the production of soft red wheat. This type of wheat is used exclusively in the baking industry. It does not contribute to the surplus. The producers of this wheat have been discriminated against in the past in the wheat program. I commend the gentleman for his thoughtfulness in presenting this amendment and I hope, in fairness and in justice, this committee will approve the amendment.

Mr. PURCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to point out to the Members of the House that if you leave every wheat farmer east of the Mississippi River out of this program it would destroy the wheat program in toto. At the present time no one is required to be in the program. Anyone who is upset because he thinks that he has to do something or not do something does not have to be in the program now. This amendment would deprive about 100,000 wheat farmers in this area who are now in the program, from being in the program.

Wheat of this type is not in short supply. Those who are participating are getting paid, as all other wheat farmers are. I hope the House will reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RHODES].

The question was taken; and on a division (demanded by Mr. RHODES of Pennsylvania) there were—ayes 28, noes 64.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DOLE

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: On page 43, between lines 19 and 20, insert the following:

"SEC. 507. Section 407 of the Agricultural Act of 1949, as amended, is amended by changing the period at the end of the third sentence to a colon and adding the following: 'Provided, That notwithstanding any other provision of law, the Commodity Credit Corporation shall not make any sales of wheat at less than 115 per centum of the current support price for wheat, plus reasonable carrying charges,' and renumber subsequent sections accordingly.

(Mr. MIZE (by unanimous consent) yielded his time to Mr. DOLE.)

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

Mr. DOLE. Mr. Chairman, I discussed in general terms the amendment which was just offered on Tuesday of this week. And before anyone rises in opposition to the amendment, let me state that as far as I am concerned, the principal issue involved is whether or not this Congress has confidence in the marketing system or whether this Congress, in effect, by failing to act, will permit grain marketing to be nationalized.

I have listened to considerable testimony as a member of the committee. I have heard such experts testify as Roy F. Hendrickson, National Federation of Grain Cooperatives; Robert C. Liebenow, president of the Board of Trade of the city of Chicago; Sam L. Rice, Jr., president, Grain and Feed Dealers National Association; Robert L. Searles, president of the Minneapolis Grain Exchange and chairman of the National Grain Trade Council; and Dwayne O. Andreas, executive vice president of the Farmers Union Grain Terminal Association.

In addition to these experts we have had excellent statements in our committee from the American Farm Bureau Federation, the National Farmers Union, and the National Association of Wheat Growers, who endorse some increase in the resale formula with certain reservations.

Let me make it clear at the outset that I do not pretend to be an expert on every phase of grain marketing, but I do feel that these men who testified before our committee did so in complete good faith. I have faith in their testimony and I believe their testimony was the result of objective study and based on their honest convictions.

Now, Mr. Chairman, I recognize that the Secretary of Agriculture opposes any amendment to this resale formula, and I am familiar with the many amendments which he has presented to our

committee and the many public utterances he has made. While I respect the opinions of Secretary Freeman, it seems to me that in the face of the overwhelming testimony in favor of some increase, his position is not only unrealistic but arbitrary and completely adverse to the interest of the grain trade and the American farmer.

Mr. Chairman, on Tuesday I pointed out the fact that there was wide support for some increase in the resale formula, and on Wednesday I attempted to enlist support by other Members, both Republicans and Democrats.

Well, Mr. Chairman, I would point out that since that time the American Farm Bureau Federation has stated that they do support the amendment in principle, but they are opposed to the adoption of any amendments, on the theory apparently that you cannot help this bill with amendments. The point is that adoption of my amendment would benefit both the complying and noncomplying farmer and would be in accordance with the President's statement on February 4 at which time in his farm message he stated:

Our objective must be for the farmer to get improved farm income out of the marketplace, with less cost to the Government.

Now I recognize that many Members who are not familiar with operation of the Commodity Credit Corporation or with the grain marketing system are perhaps confused and may have the impression that this amendment would impair the effectiveness of this legislation or that it would permit certain groups to obtain special benefits inconsistent with the overall purposes of this legislation. I believe a careful reading of the committee report commencing on page 115 and terminating on page 126 will dispel any of the reservations any Member might have. For the benefit of those who have not had the opportunity to read the arguments there presented, I would say again that the purpose—and my only purpose—for offering this amendment is to permit the farmer to obtain more income from the marketplace at less cost to the Government and at the same time to permit farmer-owned cooperatives and the private grain trade to carry out their historic function as the buyers and merchandisers of American farm products. I was surprised to learn that with the present 105 percent sales policy the Government now owns about 75 percent of all the wheat in the Nation, and at some time during the year will own over 90 percent.

One argument used by opponents of this amendment is that it will simply add more wheat to the surplus stocks already on hand, but as Mr. Andreas pointed out in the committee hearings:

There is only one way that the Government can own less wheat, and that is for somebody else to own some wheat, and the only way that you are going to make it interesting for anybody with money to own wheat is to get your sales price up. You cannot make this wheat disappear with a wand, you know. If you do not want the Government to own it you have got to make it interesting for somebody else to own it.

You would own less wheat for the following reasons: at the present time you have

an office here selling wheat eagerly and boasting that they are raising money for the Bureau of the Budget. Right across the street in the same corporation is an office that is buying wheat under the price-support program. The reason that this office is buying wheat is because that office is selling wheat. If you stop that office from selling wheat at low prices, this office will stop buying wheat.

We have a name for this in private industry. If we ran our business this way we would call it mismanagement, but, you are selling wheat in direct competition with the current production of all of our members.

Now you look at the statistics that might prove almost anything, but I can tell you a little about statistics. Let us say that I make a transaction with an exporter for 1 million bushels of wheat. The statistics say that I sold that wheat. What the statistics do not show is the most important factor in any transaction. It never gets into statistics. That is, why did the buyer buy it—why was the price what it was? Who else was offering to sell, how much, what kind, and at what price. The final actual transaction is a result of these unrecorded facts.

As long as the Government's wheat is offered for sale at 105, nobody is going to pay me 104¾ and 105.2.

These unseen statistics dominate the entire trade, remove private capital from the stream. And as a result you own the wheat.

And I submit, sir, that you would have a hard time to show me how you can own less wheat unless you can encourage somebody else to own part of it.

If you raise the price, you would acquire less. You will then own less. You will acquire less.

In conclusion, let me state that this is not an amendment to confer benefits upon the grain trade. It is not an amendment offered in an effort to wreck the program, nor is it an amendment offered to frustrate the operation of the Commodity Credit Corporation. The Commodity Credit Corporation Charter Act requires that the Corporation employ usual and customary channels of trade and commerce.

(Mr. DOLE was given permission to revise and extend his remarks.)

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I rise in support of the gentleman's amendment.

(Mr. SKUBITZ asked and was given permission to revise and extend his remarks.)

Mr. SKUBITZ. Mr. Chairman, I rise in support of the amendment to increase the release price on wheat.

This amendment has received a great deal of attention throughout the consideration of the omnibus farm bill in the Agriculture Committee, and its merit is reflected by the two extremely close votes that occurred in that committee. As has been pointed out, the amendment was turned down in the Wheat Subcommittee by a 6 to 5 vote, and was turned down in the full Agriculture Committee by an 18 to 17 vote. This shows bipartisan support for an increase in the resale price for wheat.

The support of the various farm organizations is also present on this particular amendment. The Farmers Union, the American Farm Bureau, Farmers Grain Terminal Association, the National Grain

Trade Council, the National Grain and Feed Dealers Association, the National Federation of Grain Cooperatives, and the National Association of Wheat Growers all support the concept of increasing the release prices for CCC stock of wheat.

The major opposition to this amendment, of course, comes from the Department of Agriculture. The Department of Agriculture gives two main reasons why this amendment is not good. The Department says that the amendment would increase Government costs. It also says the amendment would tend to discourage participation in the voluntary wheat program.

Let us take a look at these two arguments and see if they have any merit.

If the release price is increased, certainly market prices should be improved. To the extent that market prices are improved, wheat farmers would receive more income, but it might be necessary for the Government to pay some export subsidy on the shipment of our wheat overseas. Therefore, the Department does have a point in saying that an increase in the release price with accompanying improvement in market prices may require the Government to pay export subsidies. However, at the same time, the Government's inventory of what which is now being sold into the market at about \$1.31 plus carrying charges would be moving into the market at 5 to 10 cents a bushel more. In other words, the Government would be recovering approximately a dime a bushel more from its domestic sales than it does at present. This would reflect a greater return to the Commodity Credit Corporation for its investment in its surplus wheat, and it follows that CCC losses would not be as great as would otherwise be the case. Or put in a nutshell it boils down to this: Increased Government costs because of the payment of export subsidies would be more than offset by increased Government returns from the sale of surplus wheat at higher prices into the domestic market.

Now let us take a look at the second argument that the Department contends that compliers in the voluntary wheat program would be jeopardized by a modest increase in the release price.

Let us assume that market prices go up 10 cents a bushel. It is most unlikely that a farmer who is now complying with the wheat program would stay out because of this slight rise in market prices. He would not stay out because, if he did, he would lose all of the wheat program's benefits. These benefits include eligibility for domestic marketing certificates; payments under the amendment proposed by the gentleman from North Carolina [Mr. COOLEY] and eligibility for a nonrecourse loan. In addition, cooperators are eligible for resale payments on farm-stored grain. Also, the cooperator gets payments whether or not he has a crop, thereby giving him somewhat of a crop insurance advantage.

Actually, the difference between compliance and noncompliance under this bill in its present form is somewhere

around 54 cents a bushel. It does not make sense to me that any substantial number of wheat farmers would be tempted to go out of compliance if they had to lose this 54 cents a bushel advantage.

Therefore, it seems to me that the Department's opposition to this particular amendment is not justified and that the amendment is clearly in the interest of all wheat farmers—those who comply with the program and those who do not—and it is likewise in the interest of taxpayers who will not lose by the adoption of this amendment.

Mr. MIZE. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I am glad to yield to the gentleman.

(Mr. MIZE asked and was given permission to revise and extend his remarks.)

Mr. MIZE. Mr. Chairman, I wish to associate myself with the gentleman in the well and with the position which he has taken on this amendment.

Mr. Chairman, I rise in support of the Dole amendment to increase the CCC resale price of wheat to 115 percent of the current support price, plus reasonable carrying charges.

Congress never intended, I am sure, that we set up a voluntary farm program in name only. It was not intended that there be any built-in clubs for the Secretary to use at his discretion to force compliance. Yet, in his own words, the Secretary says he has to have the lower CCC resale price; otherwise, he "cannot get farmers into the program." He has used this club on occasion to get farmers to go along with the feed grains program. I deplore it as do many of the farmers with whom I have discussed the program.

There is widespread support for the Dole amendment. Most of the major farm organizations agree that the resale price should be increased. I have found a high degree of support among the farmers of the Second District of Kansas. When the omnibus farm bill was reported out of the House Agriculture Committee, I sent a summary of the principal sections of the bill to every farm home in the district and asked for comments about the legislation. In a great number of the responses I received, there was specific mention that the resale price of CCC stocks should be increased to 125 percent. I agree that this is a more realistic figure, but I am sure that the farmers of the Second District of Kansas would accept a compromise in the neighborhood of 115 percent.

Such an increase would, as the minority members of the House Agriculture Committee maintain "raise farm income, reduce Government costs and help restore a healthy grain marketing system." I respectfully urge adoption of this amendment.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Kansas.

(Mr. ELLSWORTH asked and was given permission to revise and extend his remarks.)

Mr. ELLSWORTH. Mr. Chairman, I wish to associate myself with the position which has been taken on this amendment by the gentleman from Kansas [Mr. DOLE] and commend him for offering this amendment.

Mr. Chairman, I urge the entire House to support the amendment offered by the gentleman from Kansas.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. REDLIN].

(Mr. REDLIN asked and was given permission to revise and extend his remarks.)

AMENDMENT OFFERED BY MR. REDLIN

Mr. REDLIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. REDLIN to the amendment offered by Mr. DOLE: Next to the last line of Mr. DOLE's amendment strike out the words "115 per centum" and insert in lieu thereof "110 per centum".

Mr. REDLIN. Mr. Chairman, I would like to preface my remarks by expressing gratitude to my colleagues from urban areas who have indeed illustrated an understanding of the problems of rural areas. The farm bill voting patterns of the past demonstrate the truth of this statement.

I submit an amendment to the amendment of the gentleman from Kansas [Mr. DOLE] to section 407 of the Agricultural Act of 1949. My amendment would set the Commodity Credit Corporation resale price of wheat at not less than 110 percent of the support level.

Increasing the price at which the Federal Government through the CCC can sell surplus stocks would have several beneficial effects. It would strengthen the role of private enterprise in the movement, handling and processing of grain. It would reduce Government surplus stocks, and consequently, Government costs. And it would increase income for the farmer in the marketplace.

Under the existing wheat program and in the proposed program in H.R. 9811, private enterprise has inadequate incentive to invest in grain inventories. Private traders are hemmed in, on one hand, by a \$1.25 floor on wheat prices, representing the basic support rate, and, on the other hand, by a \$1.31¼ ceiling, representing the CCC resale price of 105 percent of that rate. Private traders, therefore, have a margin of only 6¼ cents.

Increasing this margin would attract more private capital into grain inventories and increase market prices to the benefit of the farmer, while reducing Government storage and costs.

I wish to emphasize that any price fluctuations within this area could not possibly justify an increase in costs to the users of wheat products.

Mr. Chairman, in 1964, a major change in the wheat program was made, reducing the basic support rate approximately 75 cents from the level of past years. In those earlier programs, the 105 percent CCC resale price meant a trading margin of approximately 10 cents.

Under the new program, a 110-percent resale price would provide a margin of 12½ cents, reasonably in alignment with long-term CCC policy. For this reason I believe that a 110-percent level is the most realistic adjustment the Congress could make at this time. I would remind the House that 110 percent has precedent in the cotton field when this figure is applied. I urge the support of my colleagues for this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. ANDREWS].

(Mr. ANDREWS of North Dakota asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in support of Dole amendment.

Mr. Chairman, if it is not in the wisdom of the House that it adopt the 115-percent support, I do appreciate the efforts of my colleague, the gentleman from North Dakota [Mr. REDLIN] to make it 110 percent. Any increase would be better than the level at which it now stands. But certainly fairminded individuals should not object to a 10-percent raise.

We have heard from our wheat exporting firms, Cargill, G.T.A., Continental, and others that with the way the Secretary of Agriculture is handling the CCC stocks they are kept from effectively marketing our Nation's wheat.

The history of the Commodity Credit Corporation is one of proud service to the farmers of America. It was certainly not meant to be used as a ruthless competitor to the farmer. When the CCC was originally set up it was to help the farmer, but under the present administration of the CCC that is not always the case.

Mr. Chairman, we have to find new markets for agricultural products. We have to find markets overseas. We have to place our wheat in a position to export and not permit the Secretary to come up and cut the market out from under our export firms. We hear much about balance of payments; we hear much about the gold outflow. We know we need better trade for American products. We also realize that we need sales of farm products. This amendment would uniquely afford this opportunity.

We have been subject to quite a bit of a publicity barrage on this even having the Secretary encourage the Governor of our State to hold a press conference and maintain that this is not in the best interests of the farmer. I think we expose the error of the statement, particularly with my colleague from North Dakota and I standing together from both sides of the political aisle saying we need this help for our farmers, we need balance of trade, we need to stop the gold outflow, and we can do this with this increase in the resale price.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. TUNNEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. TUNNEY. Mr. Chairman, I rise in support of the Dole amendment.

[Mr. TUNNEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. TUNNEY asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I rise in support of the Redlin amendment to the Dole amendment. You might ask why a Republican would do that? I think we need a little bipartisanship around here, and this is a chance to have it. I recognize it is not possible to win an increase in the resale formula for wheat at 115 percent on the floor, even though I would like to see that happen. Knowing that, I hope we can pass an increase in the resale formula of 110 percent of the loan as the gentleman from North Dakota [Mr. REDLIN] offered. He did point out that 110 percent resale formula for cotton is in this bill already. You can look on page 24 of the bill, line 7. For cotton we have set a resale formula limit at 110 percent of the loan. We ought to do the same thing for wheat, and give the market an opportunity to function so the Government does not have to take title to so much wheat before it later sells it again.

Many of you are concerned that there is so much wheat in storage, but another cost to the Government is taking it into storage, then moving it out again. This would be a saving to the Government. It would also be a saving in that CCC would be able to secure a little better price for the grain they sell. This is a wise amendment.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. I fully endorse the amendment of the gentleman from Kansas [Mr. DOLE] and his remarks, and the remarks made by others on behalf of this particular amendment. The amendment should be approved.

Mr. QUIE. I thank the gentleman. This is a wise amendment and, left to our own devices, I am confident this House would accept an increase in the resale formula to 110 percent.

Let us have enough bipartisanship effort to pass this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. STALBAUM].

Mr. STALBAUM. Mr. Chairman, I rise in support of the Redlin amendment to the Dole amendment on the basis of the remarks of the gentleman from North Dakota and the gentleman from Minnesota.

I feel there is substantial reason in view of the drop in price supports from approximately \$1.80 to \$1.25 to allow a little more latitude in the market before Commodity Credit Corporation stocks are sold. I will go with 110 percent. I am one of those who feels that to go to 115

percent is to tie up too much of these commodities in storage and so continue to burden us with the cost of these commodities as they remain in storage.

Therefore, Mr. Chairman, I hope that the Redlin amendment is adopted and I frankly state that if it is not, I will vote against the Dole amendment to go to 115 percent.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. STALBAUM. I yield to the gentleman.

Mr. OLSON of Minnesota. Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from North Dakota [Mr. REDLIN] and associate myself with his remarks. We are not discussing the merits of whether or not there should be a range between the price at which the Commodity Credit Corporation takes over inventory and the price at which it releases that inventory. This has been decided previously by the Committee on Agriculture and not challenged by the Congress. The fact that Congress in changing the wheat program brought about a reduction of about 40 percent in the margin that previously existed between the support price at which the Commodity Credit Corporation acquired its stocks and at which it released them requires that we take corrective action or I believe the result will be a sharp increase in the volume of the wheat handled by the Commodity Credit Corporation.

I am sure everyone is in agreement with the objective that the private sector of our economy handle more of our farm commodities. I do not believe it reasonable to expect private channels to acquire more than minimal stocks of wheat sufficient for their immediate needs with a policy in effect that offers Government stocks in competition unless there is at least a reasonable prospect that their efforts will result in a fair return on their investment. I believe it is essential that we understand that the investment in stocks of which I speak is not without cost to the Commodity Credit Corporation or, for that matter, to anyone who stores, handles or merchandises wheat.

Mr. Chairman, I believe we can reduce the funds necessary in carrying out the wheat portion of our farm program by this small corrective step, and if this is the result then we will, of course, have available these savings in order that we might strengthen farm programs in other areas.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Chairman, I rise in support of the Dole amendment. I do so because this is the one chance we have had in 3 days of debate in which we can direct a little bit of money directly to the farmer. You know I am not a little surprised that we find any opposition to this kind of amendment after this House, and the majority, having done a complete about-face and just finished providing some \$200 million of additional taxpayers' money in direct payments—not a nickel of which will in-

crease the farmers' income over the original bill. But you know just as soon as there is an amendment that will provide a little bit of money to reach the farmer's pocket, oh then they arise immediately to oppose it or to reduce it if possible, as we have just seen within the last couple of minutes.

The Secretary of Agriculture has obviously set this pattern with his statement as follows:

We must not yield to temptation to make prices so high that programs become unworkable.

Let me ask this question—is it not when the prices have risen that the program has worked? Farm programs are designed for that purpose—to bring a little bit of money into agriculture. If the prices go up then, of course, the program has worked. But oh no, they want to make sure that the prices do not improve. I cannot possibly imagine this kind of statement being made by the Secretary, but the fact is that he has made it, and it has had its effect on this House. What complete disregard for the farmer and his future.

So on that basis, it is my opinion that we should support this Dole amendment.

But let me make one more point if I have the time. Does anyone realize that by supporting this amendment, it does not cost any money? The Commodity Credit Corporation can make money because they are going to sell these stocks at a little higher price and return to the corporation more funds that they have to use for Commodity Credit Corporation loans and other expenditures of the Corporation.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, it would be inconsistent for anybody to vote for this amendment if they swallowed the argument about the bread tax. This amendment is designed to raise the price of wheat in addition to the 50 cent raise added to the certificates. If you swallow that bread tax argument, you cannot possibly vote for this amendment because it is hoped this amendment will raise the price 6½ cents to the processors if the Redlin amendment is adopted or raise it by 13 cents if the Dole amendment is adopted and that is the same result objected to by those who opposed the "bread tax." But there is a big difference between the certificate approach and this approach. In the case of the certificate increase, all the money goes to the producer. Under this amendment, only 25 percent of the increase will go to the producer. The reason is that when the wheat is harvested, most of it is sold to the grain trade.

Within 3 months after the wheat is harvested, 60 percent of all the wheat is out of the farmers control. The purchasers of wheat do not have enough difficulty finding wheat during the first few months after the harvest to create a demand for wheat in commodity credit bins. By the time there would be enough demand so CCC could sell, 75 percent of the wheat would be in the hands of speculators and grain dealers.

It would also make wheat non-competitive with milo and some substitutes on the domestic market. Over 100 million bushels have been used domestically for nonhuman purposes. Any reduction in either domestic consumption or exports would prevent sales from Government storage. It would keep storage costs higher than necessary. By not reducing consumption, it would make the program appear ineffective and tend to wreck the program.

Members heard the names of supporters of this amendment read off. Many of them are primarily interested in the grain trade or Government storage.

Another consideration is that the amendment would increase export subsidies. Whenever the domestic market price is raised above the world market price, either our wheat would be locked out of the world market or the CCC would have to pay export subsidies to be competitive. I do not know how many millions of dollars are involved. I believe the estimate I was given is too large, but it is millions and millions of dollars of additional export subsidies that would be required in the agriculture appropriation bill and they would be used to embarrass the entire farm program.

This amendment would not benefit the farmers much in the short run and would hurt in the long run. All it will do is benefit the grain trade and some storage operators. It would prevent our marketing system from working as efficiently as possible, move exports, and it would cost the taxpayers. I urge the defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. BATTIN].

Mr. BATTIN. Mr. Chairman, I could not disagree more than I do with the gentleman from Iowa, because I believe that the National Farmers Union and the American Farm Bureau do represent the farmers and not the grain trade. They also are very interested in seeing the price increase on wheat.

This is the first time, I believe, since I have been in the Congress, that the two major farm organizations agree on a single principle. The one they agree on is the increase in the release price of the Commodity Credit Corporation stocks.

If my recollection is correct—and I would ask the gentleman from Texas [Mr. PURCELL] if this is not true—when this question was voted on in the subcommittee there was a one-vote differential as to whether it would be reported from the committee at 115 percent.

Mr. PURCELL. My memory is it was a 1-vote margin, yes.

Mr. BATTIN. Does the gentleman recall what the vote was?

Mr. PURCELL. Six to seven, or something like that.

Mr. BATTIN. I thank the gentleman.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from Minnesota.

Mr. QUIE. In the full committee the same proposition, on 110 percent of resale, lost by one vote, 18 to 17.

Mr. BATTIN. Of course I should like to see it raised to 115 percent, but I am

realistic enough to know that it might not come out that way. I would be happy to support any increase in the support price.

Regardless of the position we might take on other sections of the bill, we have an opportunity to really benefit the person who is producing on the farm. We can give him some protection in the market where he has to sell his product. The Government does not take over the farmer's grain until the farmer decides to let it go for the loan value. If the price is higher than the loan he will sell it to the grain trade and not let the Commodity Credit Corporation take it over. This is the least we can do.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. TALCOTT].

Mr. TALCOTT. Mr. Chairman, I rise in support of the Dole amendment. However, I should like to remind the Members of the House that last year, in order to pass a farm bill, we had to combine subsidies and supports for the wheat farmers and the cotton farmers. Neither of these individual programs could have survived on its own merits.

This year, apparently, in order to pass a farm bill, the proponents must go even further than last year. They must include supports and subsidies for the wheat, feedgrains, tobacco, cotton, wool, boiled peanuts and dairy farmers.

This reminds me of a farmer at home who used to wipe his nose with a hoop—until he discovered that there was no end to it.

He got smart and quit—we ought to follow his example.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from Kansas.

Mr. DOLE. Mr. Chairman, in view of the very excellent arguments made for the substitute, I am willing to accept the amendment to the amendment.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman and Members of the Committee, I support the amendment now before us. I am sorry it could not have been 115 percent.

I also suggest that I wish the same magnanimous attitude had existed on the other side of the aisle dealing with feed grains, because as a result of the defeat of the Quie amendment devastating damage has been done to the family farms of the Midwest.

Mr. PURCELL. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. PURCELL. I should like to be heard on this matter.

The CHAIRMAN. The Chair will say to the gentleman that the time for debate has been fixed. The gentleman has already consumed his time.

The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I am a little reluctant to oppose an amendment which I know is offered in good faith and with a great deal of sincerity, but it seems so clear that the actual effect of

this amendment will be disastrous to the program that I must object.

In the first place, it will destroy the program because if it works as successfully as the sponsors say it will, if it increases the price, of course, it will break down compliance because it will give to the noncomplier a price approximately as high as the complier gets. Of course, in the first year that is fine. Everybody profits in the first year and maybe in the second year they will break even. However, in the third and fourth years and in all years thereafter, you have destroyed the program and have no program. I think it would be a tragedy to allow 1 year's profits to take away a good program of this kind.

As the gentleman from Iowa so well pointed out, if it works as the sponsors suggest it will and raises the prices what you have done is to increase the price of wheat to the baker and for others along the Atlantic seaboard feeding chickens. It simply raises the price to all who are buying wheat, to the bakers and all the way down the line. To the extent that it works, it destroys the very thing that they want—the farm program, the farmers in the East—and last but not least—the consumers. I think it would be a great mistake to accept an amendment that does those things even though it might give us a higher return the first year.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I rise to join with my colleagues on the committee and oppose the amendment, and point out that the administration is definitely opposed to the amendment. I understand it will result in increasing the cost of feed grains in the grain deficit area. My own State happens to be in that category.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. RESNICK. I would like to point out that this would increase the price of feed grains on any farm in any feed grain deficit area which includes practically everything west of the Mississippi. There will be a raise in the price of milk, eggs, and bread. You name it and it will result in an increase in price in that product.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes, I yield to the gentleman.

Mr. DOLE. I certainly respect the remarks of my distinguished chairman and I point out that we are only talking about a maximum of 6¼ cents. We are only talking about wheat and not raising the price of anything else. We are talking about raising the income of the farmer without any increased cost. I point out to my good chairman that I supported this amendment in the committee.

The CHAIRMAN. The question occurs on the amendment offered by the gentleman from North Dakota [Mr. REDLIN] to the amendment offered by the gentleman from Kansas [Mr. DOLE].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question occurs on the amendment of the gentleman from Kansas [Mr. DOLE] as amended.

The question was taken; and on a division (demanded by Mr. RESNICK) there were—ayes 74, noes 106.

Mr. DOLE. Mr. Chairman, I demand tellers.

Tellers were ordered, the Chairman appointed as tellers Mr. DOLE and Mr. FOLEY.

The Committee again divided, and the tellers reported that there were—ayes 82, noes 141.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. LATTI

Mr. LATTI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTI: Page 37, line 16, after the words "the amount of" insert "each class of".

Page 37, line 18, after the words "but the" insert the word "total".

Page 37, line 21, after the words "amount of" insert "each class of".

Page 38, line 2, after the words "percentage for" insert "each class of wheat for".

Page 38, line 4, after the words "marketing allocation" insert "for each class of wheat".

Page 38, line 5, after the words "quota for" insert "each class of".

Page 38, line 8, strike the period and insert "but in no event shall the national allocation percentage for any class of wheat be less than 45 per centum".

Page 38, line 17, after the words "marketing allocation" insert "on each class of wheat planted".

Page 38, line 21, strike the period and quotation marks and insert "for each class of wheat planted on the farm".

Mr. DAGUE. Mr. Chairman, I ask unanimous consent that the time allocated me be given to the gentleman from Ohio [Mr. LATTI].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LATTI. Mr. Chairman, this amendment would make this bill what it professes to do.

Much of the opposition to the wheat certificate plan has come from the small producers and particularly those east of the Mississippi-Missouri Rivers—there must be a reason for this opposition. My amendment would satisfy much of this opposition. Now, what is the reason for this? This bill professes to issue wheat certificates to producers on the basis of the percentage of wheat used domestically. The Secretary of Agriculture has set this figure at 45 percent of a farmer's production. Is this 45 percent a fair figure? It is not. It does not begin to reflect the proper domestic utilization of most classes of wheat and particularly, Soft Red Winter and Hard Spring wheats.

According to the Department of Agriculture's own statistics, the average domestic utilization for the years 1959 through 1963 was 72.4 percent of our total Soft Red Winter wheat production and 86 percent of our total Hard Spring wheat production. Yet, under this wheat certificate plan, they will receive certificates on only 45 percent of their

production and this is supposed to represent their share of the domestic consumption. Take your pencil and you can easily determine how much the producers of these two classes of wheat are getting shortchanged under this bill. Soft Red Winter wheat producers are getting shortchanged to the tune of 27.4 percent of their production and the Spring wheat producers are getting shortchanged to the tune of 41 percent based on this 5-year average.

Now, who gets the gravy under this bill? It goes to the producers located in about four or five States who are raising the class of wheat that has been causing our greatest surplus problem. During this same 5-year period, only 37.4 percent of this class of wheat has been used domestically. Yet, they will receive wheat certificates on 45 percent of their production under this bill. My amendment would not disturb this percentage. On line 8, page 38, my amendment reads as follows: "but in no event shall the national allocation percentage for any class of wheat be less than 45 per centum."

It would, however, permit the Secretary of Agriculture to increase this 45 percent figure to correctly and accurately reflect the proper domestic utilization of these other classes of wheat.

I say to my good friends on the Democratic side of the aisle, accept this amendment and you will see much of the opposition to this wheat certificate plan vanish not only in my State but in most of the wheat-producing States with the exception of the four or five States producing hard winter wheat.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. CALLAN].

Mr. CALLAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this was proposed in our committee. What it would do, in fact, is to destroy the wheat program.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CALLAN. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Chairman, this amendment would, of course, break down the entire wheat program. If you are going to exempt any one type of wheat and allow unlimited production of one type of wheat, obviously that unlimited type will take the market. There is enough interchangeability between each and every type of wheat that so long as one is in great supply, other types of wheat cannot enjoy a good market. If you allow those who are now growing Soft Red Winter wheat to grow an unlimited amount and offer it on the market, they will not only destroy everybody else's market but they will pull the house down on themselves. They are presently enjoying a very reasonably good market for their wheat. Let us not destroy wheatgrowers in all parts of the country.

The very argument that the gentleman from Ohio made shows they are now enjoying a good market for their wheat. If they go to growing unlimited amounts of any type of wheat, then all types of wheat are going to suffer and you are going to destroy the whole program. The

gentleman from Ohio, of course, has no fear about this because he does not believe any of our farm programs are sound and consequently he is not concerned if you destroy the whole of the wheat program. But those of us who do believe that we have in this bill a sound and workable program that is good for Oklahoma and good for Kansas and good for North Dakota as well as for Ohio are much concerned about it. I hope we will vote down the amendment.

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. LATTA. Mr. Chairman, I offer a privileged motion.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. LATTA moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. LATTA. We have just heard a loud protest here to something that is not applicable to this particular amendment.

This amendment destroys nothing in this bill. The gentleman from Texas has failed to point out where this amendment destroys anything and has done nothing but talk about something other than the amendment. This amendment, had the gentleman been listening, merely gives the producers of certain classes of wheat what the Secretary of Agriculture tells the farmers they are supposed to be getting and that is their share of the domestic utilization of their wheat. That is all it does. It destroys nothing. I merely want to give these farmers what they are entitled to. We have had a lot of amendments proposed on this bill, but here is an amendment that every Member of the House should support who lives outside of the five hard winter wheat States that have been producing the great surpluses which have gotten us into all this trouble.

I happen to have in my hand the latest wheat situation pamphlet put out by the Department of Agriculture for July 1965. I see that the carryover of this particular class of wheat on June 30, 1965, was 537 million bushels. Now what was the carryover of Soft Red Winter wheat? It was a mere 8 million bushels. Now, who is attempting to destroy this bill? Certainly not one from a Soft wheat area. These farmers are not adding to this tremendous surplus as reflected in the latest wheat situation issued by the Department of Agriculture. So, without attempting to destroy anything, I might say to the gentleman again, if you accept this amendment, it will do what the Secretary contends this bill will do, and that is to give these farmers their rightful domestic percentage in allotting wheat certificates. I could possibly support this bill if this amendment is adopted.

And to my Hard Winter wheat friends, let me say that my amendment will still give you certificates on 45 percent of your production. I merely ask the Members to give these small producers what they rightfully deserve, that is, precisely their domestic share.

The CHAIRMAN. The question is on the motion of the gentleman from Ohio.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, if the amendment now before us has any virtue at all, it is that of honesty.

We all have heard many statements about the bread tax. Many of these statements have constituted attempts to hoodwink us into supporting a bill that I believe is bad, ill advised and a mockery of the legislative process.

I want to make it very clear that even if this amendment should be enacted, I still will vote against the bill on the final motion. I am unalterably opposed to this kind of legislation.

Nonetheless, we now are confronted with an amendment which appears to me to try to present the situation in its true light.

About 16 months ago, we enacted a bill which imposed a bread tax of 75 cents per bushel of wheat upon the consumers of this Nation. I was opposed to that, and so voted.

This year, the Committee on Agriculture, at the behest of the Secretary of Agriculture, proposed that the bread tax be increased to \$1.25 a bushel. Again, we would be imposing a further regressive tax on consumers, many of whom can ill afford to pay it. Statistics easily prove that families of lower incomes consume more wheat-based products, like bread, macaroni, and so forth, than those with higher incomes.

It is my understanding the Secretary of Agriculture steadfastly held to his original position that the higher bread tax should be inflicted upon consumers, and that he reluctantly retreated only when he was informed by the leadership of this Chamber that the additional 50-cent bread tax would result in the death of this legislation.

And so now we have an amended bill which seeks to impose a direct bread tax of 75 cents a bushel and an indirect bread tax of 50 cents a bushel, the 50 cents to be paid out of the General Treasury.

Right at this point, the bill falls apart, in my opinion. How can I be for a three-fifths bread tax? I am either for a bread tax or against a bread tax. Obviously, I cannot be for both.

It is apparent that the sponsors of the amendment now before us were thinking in precisely the same manner.

Thus, they have moved to pay all of the bread tax—the whole \$1.25—out of the General Treasury. Like them, I full well realize the enormity of the cost of the proposal now before us. A 50-cent bread tax will cost the General Treasury \$250 million, but a \$1.25 bread tax will cost nearer \$700 million, a tremendous demand upon the Treasury.

But, Mr. Chairman, let us be honest about this. We have spent \$1.6 billion this year for support of the feed grains program, and we took that from the General Treasury. Why are not users of feed grains asked to pay a corn tax, or whatever you want to call it?

I am fully aware, as a member of the

Appropriations Committee, of the havoc a \$1.25-a-bushel charge on wheat will cost the Treasury of the United States. It is an item I would not want to be guilty of sponsoring.

However, placing all of the cost of this program—this badly conceived program—in the General Treasury is an honest way of presenting the facts to the American people. Further, by taking all of the money from the Treasury, we are spreading the load among all taxpayers, not simply the bread and flour users, the poorest of whom consume the largest amount.

I am opposed to the bill, but if we are going to have one, let us be honest about it, let us do away with all the gimmicks, let us have the courage to tell the taxpayers exactly what we are doing to them—that we are spending nearly \$700 million in bread taxes for a program the farmers of this country do not want, and the consumers would reject positively if we really gave them a chance to say so.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE VI—CROPLAND ADJUSTMENT

SEC. 601. The Soil Bank Act of 1956, as amended, is hereby repealed, except that it shall remain in effect with respect to contracts entered into prior to such repeal.

SEC. 602. (a) Notwithstanding any other provision of law, for the purpose of reducing the costs of farm programs, assisting farmers in turning their land to nonagricultural uses, promoting the development and conservation of the Nation's soil, water, forest, wildlife, and recreational resources, establishing, protecting, and conserving open spaces and natural beauty, the Secretary of Agriculture is authorized to formulate and carry out a program during the calendar years 1965 through 1969 under which agreements would be entered into with producers as hereinafter provided for periods of not less than five nor more than ten years. No agreement shall be entered into under this section concerning land with respect to which the ownership has changed in the five-year period preceding the first year of the agreement period unless the new ownership was acquired by will or succession as a result of the death of the previous owner: *Provided*, That this provision shall not be construed to prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this section.

(b) The producer shall agree (1) to divert from production all of one or more crops designated by the Secretary; (2) to carry out on a specifically designated acreage of land on the farm regularly used in the production of crops (hereinafter called "designated acreage") and maintain for the agreement period practices or uses which will conserve soil, water, or forest resources, or establish or protect or conserve open spaces, natural beauty, wildlife or recreational resources or prevent air or water pollution, in such manner as the Secretary may prescribe; (3) to maintain in conserving crops or uses or allow to remain idle throughout the agreement period the acreage normally devoted to such crops or uses; (4) not to harvest any crop from or graze the designated acreage during the agreement period, unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing or harvesting of such acreage, determines that it is necessary to permit grazing or harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing or harvesting subject to an appropriate reduc-

tion in the rate of payment; and (5) to such additional terms and conditions as the Secretary determines are desirable to effectuate the purposes of the program, including such measures as the Secretary may deem appropriate to keep the designated acreage free from erosion, insects, weeds, and rodents.

(c) Under such agreements the Secretary shall (1) bear such part of the average cost (including labor) for the county or area in which the farm is situated of establishing and maintaining authorized practices or uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of the program, but not to exceed the average rate for comparable practices or uses under the agricultural conservation program; and (2) make an annual adjustment payment to the producer for the period of the agreement at such rate or rates as the Secretary determines to be fair and reasonable in consideration of the obligations undertaken by the producers. The rate or rates of annual adjustment payments as determined hereunder shall be increased by an amount determined by the Secretary to be appropriate in relation to the benefit to the general public of the use of the designated acreage if the producer further agrees to permit, without other compensation, access to such acreage by the general public, during the agreement period, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary may make the annual adjustment payments for all years of the agreement period upon approval of the agreement or in such installments as he determines to be desirable: *Provided*, That for each year any annual adjustment payment is made in advance of performance, the annual adjustment payment shall be reduced by 5 per centum. The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program.

(d) The Secretary shall, unless he determines that such action will be inconsistent with the effective administration of the program, use an advertising and bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under agreement in any county shall be limited to a percentage of the total eligible acreage in such county which the Secretary determines would not adversely affect the economy of the county.

(e) The annual adjustment payment shall not exceed 50 per centum of the estimated value, as determined by the Secretary, on the basis of prices in effect at the time the agreement is entered into, of the crops or types of crops which might otherwise be grown. The estimated value may be established by the Secretary on a county, area, or individual farm basis as he deems appropriate.

(f) The Secretary may terminate any agreement with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements as he may determine to be desirable to carry out the purposes of the program or facilitate its administration.

(g) The Secretary may, to the extent he deems it desirable, provide by appropriate regulations for preservation of cropland, crop acreage, and allotment history applicable to acreage diverted from the production of crops under the program for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program.

(h) In carrying out the program, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

(i) For the purpose of obtaining an increase in the permanent retirement of crop-

land to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds appropriated for carrying out the program to any other Federal agency or to States or local government agencies for use in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action.

(j) The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action.

(k) The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this program, including payment of costs of administration. There are hereby authorized to be appropriated such sums as may be necessary to carry out the program, including such amounts as may be required to make payments to the Corporation for its actual costs incurred or to be incurred under this program.

(l) In case any producer who is entitled to any payment or compensation dies, becomes incompetent, or disappears before receiving such payment or compensation, or is succeeded by another who renders or completes the required performance, the payment or compensation shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.

(m) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provisions of sharing, on a fair and equitable basis, in payments or compensation under this program.

(n) The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this subtitle.

Mr. COOLEY. Mr. Chairman, in the interest of time, I ask unanimous consent that the remainder of the bill, titles VI and VII, be considered as having been read and open for amendment.

Mr. QUIE. Mr. Chairman, I object. I believe we should take each title separately.

Mr. COOLEY. Very well. I ask unanimous consent that title VI be considered as having been read and open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will state the committee amendment.

The Clerk read as follows:

Committee amendment: On page 53, line 13, strike the word "subtitle" and insert "title".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. GATHINGS

Mr. GATHINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GATHINGS: On page 47, line 8, strike out title VI in its entirety.

Mr. GATHINGS. Mr. Chairman, this amendment, if approved, would expedite consideration of this legislation quite a bit.

It is a desirable amendment, too.

America's abundance is the envy of the world. U.S. food and fiber make for a problem of plenty, not of scarcity. We have been blessed with bountiful, bumper harvests.

There has been a population explosion in this world; let us take a look at the figures. In 1960, there were approximately 2,900 million people residing in this world. By 1980 it is expected that 2,900 million people will increase to 4,200 million.

In India there are now about 450 million people. It is expected there will be, within the next 15 years, 185 million added people in that particular country.

In the Asian area, in order for those people who reside in that part of the world to be assured of the same diet that they now enjoy, it will be necessary to have 50 percent more production per acre on the land of food crops grown in that part of the world.

There is an unequal distribution of world food production. In North America, in Europe, in New Zealand, in Australia, where more than one-half of the food is processed and produced, the caloric intake exceeds the minimum need by some 25 percent.

Whereas in India, and in the Far Eastern areas where only one-third of the food is produced, the calorie supplies are about 10 to 11 percent less than the minimum need. Now this will be a great improvement if this title is stricken. I want to say to you that it is a duplicated effort to have this soil bank title approved today by this House. Why do I say that? It is because of the fact that we have legislated for 3 days with respect to various crops. We have discussed feed grains to do what? To cut down on the production of feed grains. We just worked on wheat and this title had as one of its purposes to reduce the acreage of wheat production. We just had the cotton provision before us and it had as its purpose, largely, to cut back on the acreage of cotton. That is what is intended in this soil bank provision wholly and exclusively, that is, to take cropland out of production. It is a costly and a very costly plan, I want to say to you. We just voted a few minutes ago to add \$250 million additional cost for the wheat program by paying the added 50 cents per bushel to be realized by the farmer out of the Treasury instead of taking it out of the pockets of the consumers.

That increased cost ought to be made up somewhere and we can help do it here. I asked the Department of Agriculture to furnish cost figures on their acreage reserve of the soil bank for the short time it was in effect. I include the reply received today at this point:

DEAR MR. GATHINGS: In accordance with your telephone request, we are listing below by program years compensation paid to pro-

ducers for participating in the soil bank acreage reserve program.

Program year:	Amount
1956-----	\$248,090,813
1957-----	608,987,411
1958-----	692,227,412
Total-----	1,549,305,636

If you desire additional information, please advise us.

Sincerely yours,

H. D. GODFREY.

It is estimated in the minority report on this bill that the cost for 1 year for this particular title VI, the soil bank title, will be \$700 million a year. You put your land in there for a period of from 5 to 10 years. If you have an average of 6 years and would multiply that by \$700 million a year that would be \$4,200 million in cost for this program. We can save that much money and it needs to be saved too. This is a new program. Why embark on an extravagant venture at this time when our gallant men are fighting in Vietnam? Here is a headline, "Marines Attack Red Stronghold—Landing Seeks To Trap 2,000 Vietcong." That was in last night's paper. Let us see what the paper this morning said. "Senate Unit Approves \$1.7 Billion in Viet Funds." They quote a prominent Member of the other body who said that on an annual basis at least \$7 billion more will be required to fight in Vietnam. Whatever is needed it should be provided so that the conflict can be brought to a successful conclusion. Why should we start a new program here which is needless and extravagant? It need not be done because we have done the very thing in the past 3 days which it seeks to accomplish—to cut back on production of these various crops. Let us delete that title, and in that way we can save an awful lot of money which can be used for a much better purpose. I hope the amendment will be agreed to.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, if there were any good title in this bill, I think this is it. This is similar, it is true, to the old soil bank but there have been some important changes made in it. One of the things that occurred in the past to the soil bank that gave it a bad name will not occur in this proposition here. They will not be taking more than 50 percent of the land out of one county, out of production under this legislation. A limitation prevents that. There will be emphasis on the use of the land. For a while under the cropland adjustment program there was an emphasis on recreation and a very small percentage, an infinitesimal percentage of retired land under that first trial program went into recreation. There is more interest in recreation now. There is also some emphasis on wildlife cover and there will be land taken out used for hunting and for fishing where there are ponds. The people from the town who think that this was an unwise expenditure of money before will be looking more favorably on it now because they will have an opportunity to use it for their own recreation purposes.

So this is a most inexpensive way for land to be taken out of production and bring about a balance between supply and demand.

There is not a better program, looking at it from the standpoint of cost to the Government. Also, if you really want to do something in the cotton program, about release and reapportionment, here is a chance for a farmer who does not want to use his cotton land to rent it to the Government for 5 to 10 years and not produce cotton. Amendments adopted here as to cotton are going to make it even more difficult to solve the cotton problem and bring some balance between supply and demand. This will at least give that opportunity and enable farmers who know how to produce cotton on their land, to grow cotton. A feature about this is that the farmer has to take his best acres of price-supported crop, his feed grains or wheat or cotton out of production, before he could take anything else.

We will not have it happen as it did under the old Soil Bank Production Act where a farmer took his least productive land out of production and continued to produce on his best land, feed grains, wheat or cotton.

I believe this is a good measure, and I hope the committee will accept it.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield.

Mr. POAGE. Mr. Chairman, I want to congratulate the gentleman on a splendid statement on an important part of the bill. I concur entirely in what he has had to say, and I hope that the amendment will be defeated.

Mr. QUIE. I thank the gentleman.

Mr. DOLE. Mr. Chairman, as everyone knows who is familiar with H.R. 9811, it is a very complex and a very controversial piece of legislation.

If I were to attempt to predict which title of this omnibus bill would produce the most long-range benefits to the American farmer, I would choose title VI, or the cropland adjustment section. The great majority of farmers in Kansas, and I am certain in many other States, have long indicated an interest in cropland retirement programs. Nearly every major farm organization recognizes the need for a cropland retirement or a cropland adjustment program to supplement programs dealing with specific commodities. Frankly, I have serious misgivings about the wheat certificate plan as written, but do feel adoption of the cropland adjustment program will improve operation of the wheat certificate plan.

Title VI provides for the long-term diversion of land, currently being used for agricultural production, to protective conservation uses which will provide immediate and longtime benefit for the welfare of all citizens. It will bring about economically desirable changes in land use as well as expand recreation resources and wildlife habitat, reduce stream siltation; improve the scenic value of the countryside and increase reforestation. It provides an opportunity for elderly farmers to reduce their operations while continuing to live on the home farm. It

will assist other farmers who can benefit from reducing their farming operation to take advantage of more remunerative local employment. Also, it contains provision for the Secretary to cooperate with other Federal, State, and local agencies in permanently shifting cropland into public uses, such as parks for recreational areas. In addition to sharing necessary costs in establishing the protective conservation use it provides for an annual per acre adjustment payment during a 5- to 10-year agreement period. The program will supplement the effects of the annual commodity programs and result in substantially lower costs to the Government on acreage production for the longer period. Grazing or harvesting of hay from contracted acreage could be permitted to relieve hardship caused by natural disasters. The local economy would be protected by limiting the percentage of the cropland acreage contracted in any area. Only land where ownership has not changed within the last 5 years will be accepted.

Mr. Chairman, title VI repeals the Soil Bank Act of 1956, except with respect to existing contracts.

This title would establish a cropland adjustment program under which the Secretary would be authorized to enter into long-term agreements with producers to assist them in diverting their cropland to approved conservation uses. Such uses include vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, or practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, wildlife, and recreational resources and for the prevention of air and water pollution.

The Secretary could enter into contracts with producers during the period 1965 through 1969 to be carried out not later than December 31, 1979. The period covered by any contract would be not less than 5 nor more than 10 years.

In order to participate a farmer would have to agree to, first, retire all of his acreage of at least one surplus crop; second, maintain in conserving crops or uses or allow to remain idle the acreage normally devoted to such crops or uses on the farm; and third, take required measures to keep the designated acreage free from erosion, insects, weeds, and rodents. Grazing or harvesting of any crop would be prohibited; however, grazing or harvesting of hay could be approved to alleviate damage, hardships, or suffering caused by natural disaster. No land could be brought into the program where ownership has changed within the last 5 years except through will or succession as a result of death of the previous owner.

This provision is a controversial one, but our committee had to draw the line somewhere, and the 5-year period, as I recall, was the most acceptable. Needless to say, this provision will prevent some persons from participating in the program who may have purchased land this year or in any of the previous 4 years in complete good faith and without any thought of speculation on the basis a program such as this might be adopted

by Congress. I frankly feel that in these cases proper adjustments should be made, for as outlined above, the purpose of the program is to provide for long-term diversion of land, and to prevent participation of those who purchased land in good faith could well defeat this purpose.

In return for the producer's diverting his cropland to approved uses, the Secretary would share the cost of establishing such uses and make an annual per acre adjustment payment to the producer for the period covered by the contract. The annual adjustment payments for all years of the contract period may be made in advance at a 5-percent discount. The annual adjustment payment would not exceed 50 percent of the estimated value of the crops which might otherwise be grown. Annual payment on retired land could be increased if the owner agrees to permit access to the land without charge by the general public for hunting, trapping, fishing, or hiking.

To prevent serious adverse effect on the local economy a limit will be placed on the percentage of the acreage to be placed under contract in a county.

Those of us who live in rural areas will certainly be watching administration of the program and particularly (d) of section 602 as it relates to the total acreage contracted for in any one country. In my own district I can foresee the possibilities of real threats to county and local governments, as well as the economy of businesses within a county, unless this provision is carefully administered.

For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses, the Secretary would be authorized to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities and the prevention of air and water pollution.

The Secretary would also be authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife and recreational resources and prevent air and water pollution.

Mr. Chairman, the Secretary would be authorized to prescribe a uniform rule for the preservation of cropland, crop acreage, and allotment history with respect to designated acreage.

In carrying out the program, the Secretary would utilize the services of local, county, and State committees, and the interests of tenants and sharecroppers would be safeguarded. An advertising and bid procedure will be used except where the Secretary determines such action inconsistent with effective administration of the program. Finally, the Secretary may provide for adjusting any payment for failure to comply with contract terms and conditions.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on title VI and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, I think we ought to consider the cost and the effectiveness of the proposed cropland retirement program. The Federal Government under this program will be competing for retirement land with its other programs.

To give you an idea of how costly this can get, an Illinois farmer recently showed me a card that he received from the county ASC office, which assured him a payment of \$90 per retired acre if he cooperated in the feed grains program.

As to the ineffectiveness of this proposal, look at our experience with the feed grains program. Under this program we have paid out about \$1.5 billion to retire some 36 million acres of feed grains cropland and we got the biggest crop of feed grains in all history. So I do not see how the taxpayers can expect to get anything for their money under this cropland proposal, and I support the gentleman's amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. O'NEAL].

(Mr. O'NEAL of Georgia asked and was given permission to revise and extend his remarks.)

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent to yield 1 minute of my time to the gentleman from Georgia [Mr. O'NEAL].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. O'NEAL of Georgia. Mr. Chairman, early in January many of us were alarmed more than somewhat by repeated newspaper reports that someone in the White House—as far as I know he was never identified—had said that this country only needed a million and a half farmers and that plans were under way that would in effect “plow under” 2 million others.

I remember quite well the pleasure with which we all received the President's farm message and how delighted we were that he made no reference to this shocking idea giving us the impression that because of this omission the notion had been abandoned.

I remember, too, how members of the House Agriculture Committee were summoned quickly to the Vice President's Office where the Vice President rejoiced with us that this disposal of 2 million farmers was not one of the Administration's goals.

But, is this really true? Has the policy of plowing under farmers been adopted without announcing it?

It seems to me that it has. This is exactly what the cropland adjustment title does.

It buys out of business as many farmers as will accept the checks of the Secretary of Agriculture to abandon the farm to the weeds for not less than 5 nor more than 10 years.

Thousands of farmowners will leave the farm and then it necessarily follows that thousands more and perhaps millions of farmworkers and workers associated with the agricultural industry are going to have to move. When they move, they will move to the cities, and not one of them will be self-sufficient. They will move to our cities where they will either compete with your laboring men for jobs or add to your burgeoning and ballooning welfare rolls. They are going to be an added burden to the American taxpayer and a bigger social problem at the same time.

If they are going to be a problem either on our farms or in your city, they would be happier where they have always lived, and it would be cheaper in the long run to let them produce a surplus on the farm than to support all their needs in the city.

They will enjoy the benefits of the Great Society in their own element—like Uncle Remus' rabbit in the briar patch.

Let us do not buy 2 million farmers out of business with cropland adjustment.

Let us take cropland adjustment out of the farm bill.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RESNICK].

(Mr. RESNICK asked and was given permission to revise and extend his remarks.)

Mr. RESNICK. Mr. Chairman, I rise in opposition to this amendment. I feel that if this section is stricken it will cause overproduction. This is our problem. We must cut down production.

Mr. Chairman, I would like to yield the balance of my time to the gentleman from Michigan [Mr. TODD].

Mr. TODD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I welcome the comments of my distinguished colleague, the gentleman from Arkansas [Mr. GATHINGS], who is concerned with the growth in world population. I would call the gentleman's attention to hearings which are now going on in the other body on this subject and to the bills which have been introduced in the House of Representatives on this subject.

But I would also like to call to the gentleman's attention the very real problem with which rice producers in Arkansas will be faced in the years ahead.

Mr. Chairman, according to information and statistics released by the United States Department of Agriculture and bearing in mind the present technology in producing rice, rice production is about 3,700 pounds per acre but with the use of advanced technology in production can be 5,200 pounds per acre.

Mr. Chairman, unless we give this rice away or increase the expense of our program, we have no alternative but to retire land.

Mr. Chairman, I feel that the land section of the bill is wise. I feel it is perhaps the only long range solution to the fundamental problem of our agriculture, which is represented by the very great and rapid growth in our technology and the ability of our farmers to produce, which is both giving us very

cheap food and presenting a very serious problem to the country because of our ability to increase production so rapidly.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent to yield 1 minute of my time to the gentleman from North Carolina [Mr. FOUNTAIN].

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. FOUNTAIN. Mr. Chairman, I rise in support of the amendment of the gentleman from Arkansas [Mr. GATHINGS].

Yesterday, I briefly explained what the release and reapportionment principle adopted by this Congress in 1959 has meant to the cotton growers of the Southeastern section of the United States and to my own congressional district.

As H.R. 9811 came to this floor, it limited use of this program to within a county. Part of the Poage amendment yesterday opened county lines and restored much of the existing program which has meant so much to the cotton farmers of North Carolina. In view of other provisions in this bill, the right of the cotton farmers in my section to get cotton from the State ASC pool will still to some extent be impaired.

The elimination of title VI from the bill will be another way to restore the initial effectiveness of this release and reapportionment program which has enabled many poor people in my section to earn a living by growing cotton.

A soil bank for cotton acreage, if fully used, would amount to discrimination against the cotton areas of North Carolina, and the small farm area of the Southeast as a whole. Every section of the country helped build the present carryover. All should share in its reduction.

Frankly, I do not believe the Secretary would use it extensively; I think he has so related. However, its very presence in this law will discourage farmers who do not want to plant cotton, those who have no love for it, from releasing it to the State pool. The same is true concerning the potential for selling or leasing it.

I hope this House will strike title VI from this bill and eliminate it as a problem in the Senate. While I have strong reasons for believing there is a good chance it will be stricken in the Senate, if not here, we can save ourselves a lot of headaches and render a great service to countless thousands of cotton farmers all over the country by doing it here.

Striking title VI will go a long way toward restoring the full meaning and significance and purpose of the 1959 law, now in effect, establishing the principle that a farmer shall plant, release, or lose his cotton history acreage.

I have never voted against a farm bill, although I have frequently had mixed emotions about some of them as I do in this case. If I reluctantly vote for this bill as it has now been amended, it will be because it has much in it that deserves support, but it also has many provisions which I sincerely hope will be improved upon in the Senate. I will

do my part toward that end. I am satisfied that we do not have the votes on the Agriculture Committee to improve it further. I, therefore, do not see any good that can come from recommitting it to that committee. I am satisfied that the improvements still needed in the cotton section must be accomplished on the floor, or in the Senate, if they are to be accomplished at all. I urge you to let my cotton farmers work to make a living by striking title VI which will be another step in that direction.

(Mr. FOUNTAIN asked and was given permission to revise and extend his remarks.)

Mr. STAFFORD. Mr. Chairman, I note that title VI of the Food and Agriculture Act of 1965, section 602(b), on page 48, provides:

The producer shall agree (1) to divert from production all of one or more crops designated by the Secretary.

This language obviously is broad enough to cover any crop, including crops of so-called tame hay raised in any of the United States.

Such interpretation is further strengthened by the fact that an amendment was offered during deliberations of the Committee on Agriculture to limit the above quoted portion of the bill to crops which might be in surplus and this amendment was decisively defeated 19-14.

I conclude, therefore, that crops of "tame hay" may be designated by the Secretary of Agriculture under title VI of this bill if he is so advised.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The question was taken; and on a division [demanded by Mr. GATHINGS] there were—ayes 45, noes 101.

So the amendment was rejected.

The Clerk read as follows:

TITLE VII—MISCELLANEOUS

Sec. 701. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(a) The Secretary shall provide for ascertaining, by measurement the acreage of peanuts and tobacco and by measurement or otherwise, the acreage of wheat, cotton, rice, or any other agricultural commodity or land use on farms for which the ascertainment of such acreage is necessary to determine compliance under any program administered by the Secretary. Insofar as practicable, the acreage of the commodity and land use shall be ascertained prior to harvest, and, of any acreage so ascertained is not in compliance with the requirements of the program, the Secretary, under such terms and conditions as he prescribes, may provide a reasonable time for the adjustment of the acreage of the commodity or land use to the requirements of the program."

Sec. 702. Section 374(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the first sentence thereof.

Sec. 703. Subsection (a) of section 316 of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by striking out of the first sentence thereof "1962, 1963, 1964, and 1965," and inserting "1962 through 1969" and (ii) by striking out of the last sentence thereof "1964 or 1965" and inserting "a 1964 through 1969".

Sec. 704. The Act of August 13, 1957 (Public Law 85-127), as amended, is amended by striking out the last sentence thereof.

Sec. 705. The Secretary of Agriculture in cooperation with the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry shall make a study of the parity income position of farmers and report thereon to the Congress not later than June 30, 1966. The report shall include a recommended formula for determining parity income.

With the following committee amendment:

Page 54, line 19, strike out "Sec." before section 705.

The committee amendment was agreed to.

Mr. RESNICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RESNICK: At the end of H.R. 9811, add the following new title:

"TITLE VIII LAYING CHICKENS AND CHICKEN TABLE EGGS

"Sec. 801. The Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

"(1) Subsection 8c(2)(B) is amended (a) by inserting 'and laying chickens, which, when used in this title, shall be deemed to include baby chicks and pullets produced, acquired, or handled for the production of table eggs,' after 'turkeys' where it first appears; (b) by inserting 'and chicken table and hatching eggs other than chicken hatching eggs used for producing poultry meat,' after 'turkey hatching eggs' where it first appears; (c) by inserting 'except as to liquid, frozen, or dried chicken eggs' after the phrase 'including canned or frozen commodities or products' where it first appears; and (d) by striking the word 'and' where it first appears in (ii) and inserting a comma in lieu thereof, and striking the period in (ii) and inserting in lieu thereof the following: ', and (iii) chicken table eggs, chicken hatching eggs, laying chicken hens, baby chicks and pullets may be treated as individual commodities under individual orders or may be combined in any combination under one order and treated as a single commodity for the purpose of regulating the quantity of chicken table eggs to be marketed in order to improve the economic conditions of chicken table egg producers.'

"(2) By adding a new subsection as follows:

"8c(20) LAYING CHICKENS AND CHICKEN TABLE EGGS: TERMS AND CONDITIONS OF ORDERS

"In the case of laying chickens and chicken table eggs, orders issued pursuant to this subsection shall contain one or more of the following terms and conditions and (except as provided in subsection 6, other than paragraphs (D), (E), (F), (G), (H), and (I) thereof, and subsection 7 of this section) no others; for the purpose of this section the hatching of baby chicks shall be considered handling of hatching eggs; and further for the purpose of this subsection it is determined that by reason of the widespread production and handling of laying chickens and chicken table and hatching eggs throughout the United States and the competition in marketing of such commodities throughout the United States all handling of such commodities are in interstate commerce or directly burdens or affects such commerce in laying chickens and chicken table hatching eggs in the United States.

"(A) Limiting or providing methods for the limitation of the total quantity of laying

chickens which may be marketed or otherwise handled during any specified period or periods by any or all handlers thereof.

"(B) Distinguishing, or providing methods for distinguishing, the different persons in the chicken table egg industry involved in the production and marketing of such eggs, including, but not restricted to, defining and classifying such groups of persons and providing for such different terms and conditions applicable to persons within each such class and to such classes as is determined to be appropriate to effectuate the purpose of the program in an equitable manner. Producer status may be limited to persons having a flock of laying chickens above a certain size where the Secretary determines, after hearing, that the regulation of the marketing of eggs from smaller flocks is not necessary to effectuate the policy of the Act and would impose an unwarranted burden upon the owners thereof or unnecessarily burden the administration of the order.

"(C) Determining, or providing methods for determining, the desirable quantity of chicken table eggs to be produced and marketed during any period and the desirable quantity of laying chickens necessary to allow the production and marketing of such desirable quantity of chicken eggs as determined.

"(D) Allotting, or providing methods for allotting, the total quality of laying chickens or chicken table eggs available or to be available during a specified period, or periods, equitably among chicken table egg producers upon the basis of the total quantity of laying chickens acquired by each producer, or chicken table eggs marketed by each producer, during such prior period which the Secretary determined to be representative, and the size, production and age of the laying chickens in his current flock(s), due allowance being made in the provisions of the order for abnormal conditions, hardship cases and producers who did not produce chicken table eggs during all or part of the representative period; such apportionment shall constitute an allotment fixed for the producer within the meaning of subsection 8a(5) of this title.

"(E) When allotments for producers with respect to laying chickens or chicken table eggs have been established under this section, the order may contain provisions allotting or providing a method for allotting the quantity which any handler may handle so that any and all handlers will be limited as to each producer to the quantity allotted to each producer, and such allotment shall constitute an allotment fixed for each handler with the meaning of subsection 8a(5) of this title.

"(F) Providing for a market diversion program for chicken table eggs which may include open market purchases of chicken table eggs, and liquid, frozen, or dried eggs, of any grade, size, type, or quality, when the Secretary determines that the then current or the estimated price for chicken table eggs is such that the average return therefor to producers would not be reasonable in view of the prices of feed, the available supplies of feeds, economic conditions affecting table egg production, and other economic conditions which affect market supply and demand for chicken table eggs in the production area, and providing for the distribution of the net return derived from the disposition of such eggs to the market diversion fund and any amount determined by the Secretary to be in excess of such funds requirements to be equitably distributed among those contributing to such fund.

"(G) Establishing or providing for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of eggs or egg products; the expense of such projects to be paid

from funds collected pursuant to the marketing orders.

"(H) Subsections 8c(8), 8c(9), the first section of 8c(10), 8c(11), 8c(12), 8c(13) (B), and 8c(19) of this title shall not be applicable to orders issued under this subsection.

"(I) The authorization for provisions contained in subsection 8c(7) (D) shall be applicable to orders containing provisions under this subsection with the same force and effect as though this subsection was specified therein."

"(3) By adding a new subsection 8c(21) as follows:

"8c(21) PRODUCER REFERENDUM FOR APPROVING ORDERS APPLICABLE TO LAYING CHICKEN AND CHICKEN TABLE EGGS

"The Secretary shall conduct a referendum among chicken table egg producers for the purpose of ascertaining whether the issuance of an order under subsection 8c(20) is approved or favored by them. For the purpose of such a referendum a chicken table egg producer shall be a person—

"(a) who provides the labor for caring for a flock of egg-producing hens, which flock would be subject to an order, if approved; and

"(b) who has an interest in the resulting egg production; and

"(c) who owns or leases and operates the producing facilities resulting in production of chicken table eggs subject to the order. No order shall be issued under this section unless approved by not less than two-thirds of the eligible producers voting in said referendum. The terms and conditions of the proposed order shall be described by the Secretary in the ballot used in the conduct of the referendum. The nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto."

"(4) The prefatory language of subsection 608c(6) is amended by inserting after the words 'other than' as they first appear, the words 'laying chickens, chicken table eggs, and'.

"(5) Subsection 10(b)(2)(ii) is amended by adding at the end thereof the following: 'Orders issued under subsection 8c(20) may provide for such assessments to be paid only by handlers of baby chicks, laying chicks, or chicken table eggs and, further, if the order provides for a market diversion program for chicken table eggs, the Secretary may determine the amount of funds necessary for such a market diversion program and this amount shall be assessed upon all handlers of chicken table eggs and each such handler shall pay his pro rata share of this amount to the authority or agency established to administer the order: *Provided, however,* That the Secretary may, after hearing, establish such quantities of chicken table eggs handled as he determines necessary to be exempt from both the administrative and market diversion assessments to avoid unnecessary burdens on handlers and, further, that the Secretary, after hearing, may determine at what point in the handling of chicken table eggs such assessments shall attach.'"

Mr. RESNICK (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HALL. Mr. Chairman, I object.

Mr. STALBAUM (during the reading of the amendment). Mr. Chairman, the reading of the amendment thus far I believe has made it clear to the membership that the purpose of the amendment is to permit egg producers to come under the marketing order provisions if they elect to do so by referendum, and there-

fore I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. HALL. I object.

The Clerk concluded the reading of the amendment.

Mr. QUIE. Mr. Chairman, I make a point of order that the amendment offered by the gentleman from New York is not germane, and I should like to speak on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, the amendment proposed by the gentleman from New York is, I believe, in substance the contents of his bill, H.R. 7481, which is presently pending in the Committee on Agriculture. This amendment provides for production limitations and marketing orders for eggs and is proposed as amendatory language to the Agricultural Marketing Agreement Act of 1937, as amended, which amended, supplemented, and reenacted the Agricultural Adjustment Act of 1933, as amended.

There is only one place in H.R. 9811 where this statute is amended and that is in title I which contains proposed amendments to the Federal milk marketing order program established under that act.

The precedents are ample, Mr. Chairman, on the principle that one individual proposition may not be amended by another individual proposition even though the two belong to the same class. The classic example appears in volume VII of "Cannon's Precedents" on page 3001 holding that an amendment proposing to add wheat, corn, and other crops to a bill dealing with cotton futures is not germane.

Another precedent clearly on this point is found in volume V, section 5832, of "Hinds' Precedents," holding that an amendment to include the gypsy moth in a provision dealing with the extermination of the cotton boll weevil was not germane.

Likewise it cannot be held that the gentleman's amendment is an amendment of a general subject by a specific proposition of the same class. Under the rule this bill is being read by title. Title I deals only with dairy products, thus it is not dealing with a general subject; and the proposal to add a specific proposition, eggs, is not in order.

Finally, as later decisions of the rule have made clear, any amendment must be germane to the fundamental purpose of the bill. The proposed amendment clearly is not.

The CHAIRMAN. Does the gentleman from New York wish to be heard on the point of order?

Mr. RESNICK. Yes, Mr. Chairman, I should like to be heard.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. RESNICK. Mr. Chairman, I believe that the purposes of my amendment are identical with the purposes of this bill, namely, to maintain farm income and stabilize prices. These points were already in the Record that I made in my speech of August 17 on page 19949.

Furthermore, the amendment has the same purposes as the Agricultural Marketing Agreement Act which title I of the bill would amend. It would be handled by a marketing order method which is set out for dairy products in this bill. Dairy and poultry are frequently considered as the same class commodity and by reason of that fact that they are set apart in a separate subcommittee of the Committee on Agriculture. I believe, as the gentleman from New Jersey [Mr. JOELSON] put it yesterday, this bill deals with everything eatable and wearable and smokable and certainly this falls within the purview of this bill.

The CHAIRMAN. The Chair is ready to rule. The gentleman from New York [Mr. RESNICK] offers an amendment which is, in effect, a new additional title to the bill, H.R. 9811. The gentleman from Minnesota [Mr. QUIE] makes a point of order against the amendment on the basis that it is not germane to the bill H.R. 9811. The new title which is offered in the amendment of the gentleman from New York has to do with laying chickens and chicken table eggs. The Chair would like to observe that there are seven titles in this bill dealing with various agricultural commodities. It would also like to observe that the new proposed title has to do with amending the Agricultural Adjustment Act of 1933 together with the Agricultural Marketing Agreement Act of 1937. The first title of the bill, H.R. 9811, starts off with an amendment to the Agricultural Adjustment Act and the Agricultural Marketing Agreement Act of 1937. Furthermore, as has been stated, the bill proposes to maintain farm income, stabilize prices, and to afford, among other things, greater economic opportunity in rural areas. Obviously, the provision of the proposed new title would come within the purview of the titles of the bill and the point of order is overruled.

The gentleman from New York is recognized for 5 minutes on his amendment.

(Mr. RESNICK asked and was given permission to revise and extend his remarks.)

Mr. RESNICK. I thank the Chairman.

Mr. Chairman, during this debate one phrase that we have heard over and over again is "the gentleman is confused, or I am sure the gentleman does not understand." And while it is very true that a great deal of this farm legislation is confusing I hope to follow in the path of my distinguished colleague from Florida, Mr. MATTHEWS, and keep my discussion short and simple. As a matter of fact, I sincerely hope my distinguished colleague from Florida will support me on this amendment for perhaps he can do for the boiled egg what he did for the boiled peanut.

My amendment very simply will permit the commercial egg producers of the country to hold a referendum to decide whether or not they wish to enter into a marketing order. This type marketing order which has been successful in the dairy industry would, I believe, help pull the egg farmer from the brink of bankruptcy that he is now facing.

Now I would like to point out that this is not new legislation. Marketing orders have been proposed for the egg industry for at least 10 years. I recall one excellent piece of legislation introduced by our late beloved colleague, Clem Miller, of California.

Marketing orders have worked in other places and other products and have achieved notable success in the great State of California.

Lets look at my amendment and see who is for it and who is against it. The administration is for it, the Department of Agriculture has issued a favorable report and urges its passage. The chairman of the subcommittee, HARLAN HAGEN, of California, is for it as are most members of the Committee on Agriculture. The National Farmers Union and the National Grange both are enthusiastic in their support of it as are about 30 regional egg producer associations and so are thousands of egg farmers all over the United States who have written and wired me urging its passage. Now lets look and see who is against it. First, the American Farm Bureau is against it. But as we all know this is nothing new. The Farm Bureau is against everything except motherhood and I am sure they would be against that too if the Federal Government had anything to do with it. But the group that is really dead set against the passage of this amendment is the feed and grain companies who are now running a new version of the company store.

I am sure many of us have heard or experienced the inequities of the company-owned store where the employee or miner or the sharecropper could only buy his food and supplies from this store and everything would be on credit. He never saw any money no matter how hard he worked. He wound up further in hock to the company store and so it is with the feed company and the egg farmer. The price of feed continues to go up and the price of eggs continues to drop until one day the feed company says, "You are no longer a valued customer, you now belong to me and if you are a real good buy I will give you a contract to continue to produce eggs for us and from now on I will pay you so much per dozen eggs." In other words, very simply a man who used to be an independent farmer, his own man, and very short became a chattel of a giant corporation—a number on an IBM card.

But even this is not enough to satisfy the hunger and greed of the feed companies. Long ago King Gillette discovered that he could not make very much money selling razors but that he could get very wealthy selling the razor blades and so today razors are sold at the cost of production or below but the razor blade brings home the bacon. Feed companies are setting up giant egg factories, one in Mississippi has 1½ million birds. It would take only 200 of this type of factory to supply the entire egg needs of America. The feed companies could not care less what the price of eggs is just as long as they have this captive market for their feed, and no matter how many independent egg producers go broke they continue to expand the egg

factories and grab a bigger share of the market. Now many people call this the free enterprise system. These same people would describe the law of the jungle a free enterprise system—the survival of the fittest and to the victor belongs the spoils. The strong shall have no mercy on the weak and the large shall devour all that crosses its path regardless of size.

Many of my colleagues who are not familiar with the agricultural economy and who have great faith in the law of supply and demand might say, "This is impossible, it could never happen." But it has already happened to the broiler industry. This was an industry made up of thousands of independent family farmers. Within 5 short years 95 percent of the broilers produced in this country are being produced by 20 companies and over 50 percent of the production is in the hands of 3 giants, all feed companies.

America was founded on the principle that the weak shall have the protection from the strong and greedy and the individual the protection of the State. This fundamental concept is the foundation of our entire body of anti-trust laws. It is interesting to note that where these antitrust laws are effective—mainly our industrial sectors, this sector has thrived—and where they haven't been effective in our agricultural sector, it has failed.

Very often we in Congress are accused of pleading for special causes. Today I plead guilty to that charge, for my father was an egg farmer. To me these farmers are not statistics or IBM numbers. They are my next door neighbors, people I grew up with, and so I know their problems for my family shared them. For one to lose his life savings is bad enough but these continuing farm failures not only mean financial disaster but also mean that these people must leave the land that they have lived on. They are leaving a way of life and they are being forced to the alien environment of the city and they are not prepared for city life either in skills or in temperament.

As I pointed out earlier, this type of legislation has been around a long time. The hour is late. If this legislation is not passed this session we can forget about it because it will be too late. This is our last chance. As my able colleague from New York, Mr. O'BRIEN said in his stirring speech yesterday: "It is high time that this Congress considered farm problems from all of the State and all of the products." For too long we have concerned ourselves with only a few groups and commodities and permitting disaster to overtake others.

If our farm program has any validity at all and I believe it does, then we must extend its benefits to those who need it. Again let me stress that this amendment is basically enabling legislation that will permit a referendum to be held so that the farmers themselves can decide whether or not they want to enter into a marketing order which will regulate production to meet the demand and thus providing a suitable and reasonably profitable price for eggs.

A vote for my amendment will be a vote for the small farmers of America who desperately need your help.

The CHAIRMAN. The time of the gentleman from New York [Mr. RESNICK] has expired.

Mr. RESNICK. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. QUIE. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CEDERBERG. Mr. Chairman, I move to strike out the last word.

(Mr. CEDERBERG asked and was given permission to revise and extend his remarks.)

Mr. CEDERBERG. Mr. Chairman, I have had the honor of serving in this body for 13 years and during each Congress we have legislation proposed to solve the problems of agriculture.

I served through the Benson years and I suppose there was never a Secretary of Agriculture who was as vilified as Ezra Taft Benson in his attempts to do something about an almost unsolvable problem.

Then, Mr. Chairman, I recall the 1960 presidential campaign when the Democratic candidate went around the country promising the farmers of America 100 percent of parity. He ridiculed the cost of running the Department of Agriculture by the Republicans. He condemned the flight of the farmers from the farm. But what has happened since, under 5 years of this Democrat administration? The costs of running the Department of Agriculture are up, parity is down, and the number of family farms is going down faster than they ever have before.

Mr. Chairman, I do not know the answer to this problem but I am convinced, after listening to the debate, that the proposal presented to us here today is not a solution.

Now, Mr. Chairman, I want to call to your attention something else that we are going to have before us, the revisions of the Fair Labor Standards Act, which is going to affect agriculture. This is going to be another Government regulation with which the family farmer is going to have to live.

Then, Mr. Chairman, just a year or so ago the bracero program was stopped. This has caused absolute havoc in many areas of agriculture, part of it included in my own district in Michigan.

I received word from the pickle growers in my district the other day that some of the recruited pickle pickers have been looting some of the stores in the area, the crime rate in the area has gone up and it has been just an absolute mess.

Mr. Chairman, one company reported that last year—by August 7, 1964—that they had picked over 200,000 bushels of

pickles. By August 7 of this year, 1965, they had picked less than 31,000 bushels. This is a tremendous loss to the farmers of the area.

Mr. Chairman, Willard Wirtz, the Secretary of Labor, promised the pickle farmers pickle pickers. If Willard Wirtz promised the pickle farmers pickle pickers, where are the pickle pickers that Willard Wirtz promised the pickle farmers?

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. DOW].

(Mr. DOW asked and was given permission to revise and extend his remarks.)

Mr. DOW. Mr. Chairman, whatever one may say about pickles, I can say this, that the poultry men and the egg producers of New York State are in a pickle.

Mr. Chairman, among the benefits in the omnibus farm bill for producers of man yproducts, I see none for producers of eggs although they have suffered economic damage that borders on catastrophe.

The production of eggs in the United States is a big industry figuring at \$1.8 billion in 1963. In the past winter there was a drop in the price of table eggs on the order of 30 percent. No wonder that the number of egg producers are declining and the family farm in this industry too is dwindling away.

Notwithstanding the critical state of this valuable farm industry, the U.S. Department of Agriculture did not see its way to purchase fowls for school lunch programs as a means of removing laying hens from production this year, although such purchase programs have been followed in other years when they were needed less.

I represent a congressional district where the annual sales of poultry products are 15 percent of the total for the State of New York. Three of the counties that I represent are located in the heart of the "egg basket of New York," but their problem is not limited to just these three counties in New York State. We hear the same story from Georgia, New Jersey, and Mississippi. Overproduction of eggs is passing all bounds due to the actions of large integrators who are in the feed business. They are willing to accept little or no profit on the sale of eggs in return for larger feed profits. These conditions are forcing family farmers to become slaves under contract to the large integrators. Prices are dictated and they are so low that individual farmers cannot meet the cost of production. While we are giving aid in the omnibus bill for practically every farm product you can name, let us include in it something to help the one product that has suffered the most.

I ask that you support the amendment before you offered by my distinguished colleague from New York [Mr. RESNICK].

This amendment would give table egg producers an opportunity to decide for themselves by referendum whether a national egg marketing order would be a solution to their problems. Certainly the egg producers of this country, particularly those small farmers who are faced with bankruptcy, who may be

forced to leave the only means of livelihood which they have ever known, should have a voice in making this decision.

This poultry amendment, unlike most titles in the Food and Agriculture Act of 1965, costs virtually nothing, just a few thousand dollars for a referendum.

The CHAIRMAN. The chair recognizes the gentleman from New Jersey [Mr. HOWARD].

(Mr. HOWARD asked and was given permission to revise and extend his remarks.)

Mr. HOWARD. Mr. Chairman, I would like to ask the gentleman from New York [Mr. RESNICK] a few questions.

Is it true there are no mandatory controls of any kind under this amendment?

Mr. RESNICK. That is correct.

Mr. HOWARD. There must be a referendum of a minimum of two-thirds of the poultry farmers in America before controls could be put into effect?

Mr. RESNICK. Yes.

Mr. HOWARD. Then this amendment gives the poultry farmers of America the right to vote on the future of their own industry. It seems to me that this is the American way, and I cannot see how anyone in this body could be opposed to it. It has been stated that the gentleman from North Carolina [Mr. COOLEY] is not personally opposed to this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, I would like to have the attention of the gentleman from New Jersey and the gentleman from New York [Mr. RESNICK] for a moment to ask some questions along the lines which those two gentlemen discussed a moment ago. First, is there a provision that would require a referendum?

Mr. RESNICK. That is correct.

Mr. LANDRUM. Are there any provisions in the amendment to determine who is eligible and who is not eligible to vote in the referendum?

Mr. RESNICK. Yes, there are.

Mr. LANDRUM. What are they?

Mr. RESNICK. It is two-thirds of the producers of a thousand birds or more, and 50 percent of the production.

Mr. LANDRUM. A producer who has 1,000 birds gets 1 vote?

Mr. RESNICK. Yes.

Mr. LANDRUM. If he has 2,000 birds, does he get 2 votes?

Mr. RESNICK. No. It is the number of producers, and it is percentage of production.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I rise in opposition to the pending amendment.

This is a bill which is in the Subcommittee on Dairy and Poultry of the Committee on Agriculture. It is being considered there, and has not been acted on. The Committee on Agriculture is trying to work out the bill.

We have many titles in this bill and time is limited, and we are trying to have

substantial debate on them. To throw in something that is completely different from anything that is being considered in the bill and no opportunity for careful consideration by the committee on Agriculture, I think is unwise. That is why I object to the gentleman from New York offering his amendment and taking our time.

I notice the gentleman is in favor of cheap feed grain, and he wants to protect his area's production of eggs.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mrs. MAY, and Messrs. DAGUE, DON H. CLAUSEN, and SKUBITZ yielded their time to Mr. QUIE.)

Mr. QUIE. Mr. Chairman, I offered an amendment to this bill in an effort to increase the resale formula on feed grains in such a way it would not increase the price, because the Secretary of Agriculture has plenty of PIK feed grain in each marketing year, and the resale formula of 100 percent would only apply to 1 year's PIK grains. The gentleman from New York opposed that. Always he brings up the argument he is opposed to any increase in feed costs. He could not even prove there was any increase in feed costs. Now he comes in with this amendment which is going to put controls over egg production and increase the price of eggs, and he favors holding down the price of feed grains. The result of that is to shift the production of poultry out of the Midwest, as we have seen it going on. That is what I am concerned about. This is especially harmful to an area which produces the greatest amount of feed grain. If this poultry amendment is adopted I see great detriment to the areas of the country that have been producing the huge amounts of agricultural production. I think it is completely unwise in the rush of a few minutes to accept anything as far reaching as his bill.

I have sheaves of telegrams from poultry people all over this country in opposition to this bill. They are worried about it. They would like to have a chance to have some influence on the members of the Committee on Agriculture and have us work our will on it before it comes up here. Now to bring it out here without having a little opportunity to give it thorough consideration when we should be working on titles of this bill, I think is wrong.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. DOLE. Mr. Chairman, I certainly rise in opposition to the scrambled egg amendment. I would point out to the gentleman that perhaps based on the Supreme Court decision, this should be a one-chicken, one-vote proposition. I do not know what the referendum provides.

Mr. RESNICK. I am glad the gentleman seems to indicate that he is in favor of the one-man, one-vote principle.

Mr. QUIE. I am glad to yield to the gentleman from New York.

Mr. RESNICK. As I told the gentleman from Georgia [Mr. LANDRUM] the referendum provides that the people taking part in it must represent 50 percent of the production or more and at least

66⅔ percent of the people involved in the business of producing eggs, so that the small producers and the large producers are covered.

Mr. QUIE. I notice that the gentleman did not answer the question of the gentleman from Georgia as to who actually gets the vote in the referendum.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. OTTINGER].

Mr. OTTINGER. Mr. Chairman, I rise in support of the excellent amendment offered by my distinguished colleague from New York and wish to congratulate him for the wonderful job he has done in support of the amendment. I now yield to the gentleman from New York [Mr. RESNICK].

Mr. RESNICK. Mr. Chairman, I am surprised at the gentleman from Minnesota because one of his colleagues insisted that this amendment be read word for word and the gentleman should have understood the amendment.

Mr. QUIE. I will tell the gentleman that I understand the amendment.

Mr. RESNICK. I am glad you do. Then you should know that this protects the small producer and protects the large producer as well. This is not any new invention. Marketing orders have been in operation for years and years and they have worked very successfully. You were up here arguing for the dairying marketing order; were you not?

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I will be delighted to yield to the distinguished majority leader.

Mr. ALBERT. If a person has a 25-acre cotton allotment and another person has a 25,000-acre cotton allotment, they each get one vote in the referendum; is that not correct?

Mr. RESNICK. Of course, that is correct.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. STALBAUM. Mr. Chairman, I ask unanimous consent to yield my time to the distinguished chairman of our poultry subcommittee, the gentleman from California [Mr. HAGEN].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HAGEN of California. Mr. Chairman, we had this bill before our committee and it was given full consideration and extensive hearings. The problem is that we have about two Democrats who are on the committee who cannot make up their minds about it.

I might say this is a bipartisan bill. There are Republican authors of this bill. There were in the past and there are now. The gentleman from New Jersey [Mr. THOMPSON] is the author of a companion bill. All this is to do is to make eggs eligible for marketing orders such as you have in the dairy program.

I am sure there are many people here who are familiar with the operation of these dairy marketing orders and can draw a valid conclusion from comparison. This order can be a national order which, in my opinion, is extremely un-

likely or it could be a regional order. But everybody admits that the egg industry is sick and that something has to be done besides trying to persuade the Secretary of Agriculture to buy dried eggs from time to time at great cost to the Government. This would permit egg producers to vote on an area basis or nationally and enable them to rationalize their production at no cost to the taxpayers in order that they might get a fair price in the marketplace for their product and stop this trend toward bigger growth in the egg business invading the markets of the New Jersey and New York area and all these areas where they still have some small egg producers left. This is a small farm measure, believe me.

Mr. RESNICK. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman.

Mr. RESNICK. Would it not protect the consumer as well from these roller coaster rides in the price of eggs when they go from 45 cents a dozen one day to 75 cents a dozen the next day?

Mr. HAGEN of California. Certainly. When this egg production gets concentrated into the hands of very few people, you know what is going to happen to the price of eggs. It will go up under monopoly control.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, during the subcommittee hearings on the bill, it became apparent this would have the effect of establishing a new Federal franchise representing the right to produce eggs—a franchise with a monetary value. The question naturally came up as to whether or not this right to produce eggs could be bought and sold within this tight circle of authorized producers. The author of the bill had no answer to that very important question. Until questions like that are answered, this proposal should be left in committee.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WALKER].

(Mr. WALKER of Mississippi asked and was given permission to revise and extend his remarks.)

Mr. WALKER of Mississippi. Mr. Chairman, I would like to make a few remarks about this.

We have been hearing for 3 days about the farm products we already have under Government control. This is one farm product that is not under Government control. I can tell you that the overwhelming majority of the people in this industry do not want to come under Government control.

Someone mentioned a little while ago that the broiler business today is in the hands of big business. That may be true, but I will tell you that this brings chickens to the housewife cheaper than they have been in a long time.

If the amendment offered by the gentleman from New York [Mr. RESNICK] today is adopted, there is no telling what the housewife will have to pay for eggs.

Any business has its ups and its downs. I will admit that this business has been dragging. It loses money at times, but

it comes along and makes money later on.

I believe we will be in real trouble if this amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, I have been receiving letters from producers and handlers in my district, and I find no support for this type of legislation.

I might point out that if a producer must have 1,000 chickens, I can think of innumerable farmers in my district who would be without a vote, and probably would soon be out of production by virtue of this proposal.

I might add that it was only yesterday the gentleman stood up and opposed a little protection for the farmers in my area relative to feedgrains, because he wanted to buy for grain cheaper than production costs. He now comes in and admits that he wants to "jack up" the price of eggs with CCC cheap feed so that his people can have a special advantage, which I believe is very unfair on his part.

I hope the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. OLSON].

Mr. OLSON of Minnesota. Mr. Chairman, I rise in support of the very excellent amendment offered by my colleague from New York [Mr. RESNICK]. He made a very fine presentation, and he summed up better than I could ever do, in a very precise statement, the testimony we have heard in the committee on this subject.

We are asking here for a right to vote, only for a right for the producers to vote.

I have received many telegrams and communications in favor of this. I do not believe we need to argue about that, because all will have opportunity to cast their ballots, if we pass this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL of North Carolina. Mr. Chairman, I rise in strong opposition to this amendment. It is very unwise to act in this fashion and in this haste and rush on an amendment which will have such shocking effect on the egg-producing industry. As Members know, we only have a limited few minutes to consider this amendment. It has not been acted upon favorably by either the poultry subcommittee or the full Committee on Agriculture. If this is so, where is the broad support for taking this action? I know that the egg producers in my area have not been asking that we take this action. In fact, I have had correspondence with large numbers of egg producers who are violently opposed to this amendment.

It is a fact that in order for marketing orders to be successful, there should be and must be broad producer support for the marketing order. This cooperation is essential if the order is to be enforced. I am not convinced that the broad support of the egg producing industry is behind this proposal.

Also, we must realize that it is unwise to act so hurriedly that we do not have time to ask questions or even to get the necessary answers to the many questions about this move. How many producers will be permitted to vote? Will a larger producer have more than one vote? What type marketing orders are contemplated? There are more. We need the time to consider them, I urge that you vote down this amendment.

If we are to consider a proposal like this in the future, at least give the full Committee on Agriculture the opportunity to consider it fully, work out the details and provide some answers to the questions and uncertainty that exist here today.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Illinois.

Mr. ARENDS. This would probably be a good amendment, if adopted, on which to have a record vote. That is what we can do.

Mr. BROYHILL of North Carolina. I thank the gentleman for his contribution. I certainly hope we can defeat this amendment and give the Committee on Agriculture an opportunity to discuss it in full.

(Mr. BROYHILL of North Carolina asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RESNICK].

Mr. RESNICK. Mr. Chairman, I would point out again that this is simply an amendment which would give the farmers the right to vote. I cannot understand why anybody would be opposed to it.

The people who would not have the right to vote would be exempt from this order.

This is not as if we were putting anybody into servitude. If the egg farmers of America say they do not want it, this will be laid to rest.

I point out again that this proposal has been before the House, one way or another, for more than 10 years.

Mr. THOMPSON of New Jersey. Mr. Chairman, I rise to support the amendment offered by the gentleman from New York. As he has stated, the amendment would amend title VII of H.R. 9811 to incorporate the provisions of H.R. 7481 with certain technical changes recommended by the Department of Agriculture.

H.R. 7481 and companion bills, one of which—H.R. 7647—I am a sponsor, were thoroughly examined in recent hearings conducted by the Subcommittee on Dairy and Poultry, chaired by our distinguished colleague from California. It is my understanding there is substantial support on the subcommittee for this legislation. Its object is to authorize the Secretary of Agriculture to set in motion procedures for a producer referendum on a nationwide marketing order for shell eggs and related items.

Mr. Chairman, during the hearings of which I have made mention, I placed before the subcommittee statistics setting forth the status of the poultry

industry in New Jersey. Those statistics tell an alarming story. Cash receipts from the sale of eggs have declined 40 percent in my State from 1956 through 1963. Those receipts dropped an additional 14 percent in calendar 1964 alone.

Last spring, the subcommittee held hearings on the plight of the poultry industry and, more specifically, the cause of the worsening price situation. I think it fair to say that testimony from witnesses from all sections of the country told the same story—rapidly declining prices and increasing concentration of production in fewer and fewer hands. Gentlemen, this is not, I assure you, a shakeout of the inefficient producers. That occurred in my State in the mid-fifties. The producers being forced from the industry today are efficient farmers who have at great cost adopted modern production methods. They are being forced to the wall by a collapse of the industry's price structure. This collapse, as testified to by witness after witness, is due to uncontrolled production.

The amendment offered by the gentleman from New York would give our poultry farmers the opportunity to vote for production controls promulgated by the Secretary of Agriculture. No marketing order could go into effect unless approved by a two-thirds vote of those producers eligible and voting. Mr. Chairman, the poultry farmers of my State have asked me for an opportunity to vote to save their livelihoods. As I stated in my testimony before the subcommittee—our national policy is to preserve the family-size farm. If we really mean what we say, we should approve this amendment and give our poultry farmers the opportunity to vote for a marketing order that will end the destructive price trend that is sending them down the road to ruin.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I want to take this opportunity first to congratulate my colleague from New York [Mr. RESNICK] on doing a splendid job. But in frankness, I must say that it seems to me that his success if it should be ratified by the House would be disruptive of all proper legislative procedure.

I have no objection to marketing orders. I think regional orders are a good thing, and there is a terrible need for some reform in the egg industry.

But I do not believe that any committee of this House could properly function if Members were going to introduce bills, refer them to committees, have them referred to subcommittees, and then, before any action is completed, bring them out on the floor of the House and tie them onto another bill. I just do not like the procedure. I think it is dangerous and I hope this House will not endorse it.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I just want to say that this subcommittee headed by HARLAN HAGEN of California, has conducted hearings and they are pre-

pared to report to the full committee on this subject. We have not yet received the report but I can assure the author of this amendment that when that subcommittee is ready to report we will, as soon as circumstances permit, receive the report and we will not delay it unduly.

The CHAIRMAN. The question occurs on the amendment offered by the gentleman from New York [Mr. RESNICK].

The question was taken and on a division [demanded by Mr. ROSENTHAL] there were, ayes 107, noes 128.

Mr. RESNICK. Mr. Chairman, I demand tellers.

Tellers were ordered and the Chairman appointed as tellers Mr. RESNICK and Mr. POAGE.

The Committee again divided and the tellers reported that there were—ayes 110, noes 137.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BELCHER

Mr. BELCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BELCHER: on page 54, line 25, insert the following:

"SEC. 706. Notwithstanding any other provision of law, the Secretary, upon the request of any agency of any State charged with the administration of the public lands of the State, may permit the transfer of acreage allotments or feed grain bases together with relevant production histories which have been determined pursuant to the Agricultural Adjustment Act of 1938, as amended, or section 16 of the Soil Conservation and Domestic Allotment Act, as amended, from any farm composed of public lands to any other farm or farms in the same county composed of public lands: *Provided*, That as a condition for the transfer of any allotment or base an acreage equal to or greater than the allotment or base transferred prior to adjustment, if any, shall be devoted to and maintained in permanent vegetative cover on the farm from which the transfer is made. The Secretary shall prescribe regulations which he deems necessary for the administration of this section, which may provide for adjusting downward the size of the allotment or base transferred if the farm to which the allotment or base is transferred normally has a higher yield per acre for the commodity for which the allotment or base is determined, for reasonable limitations on the size of the resulting allotments and bases on farms to which transfers are made, taking into account the size of the allotments and bases on farms of similar size in the community, and for retransferring allotments or bases and relevant histories if the conditions of the transfer are not fulfilled."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman and Members of the Committee, after this bill, H.R. 9811, was reported by the committee the gentleman from Oklahoma [Mr. BELCHER], the author of the pending amendment, called this situation to our attention.

The amendment which has been offered by the gentleman from Oklahoma was considered in our full Committee on Agriculture and I told the gentleman that I would accept the amendment when he offered it here on the floor. I am quite certain that I reflect the views of all the members of the committee, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. BELCHER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 54, line 25, insert the following:

"SEC. 706. Notwithstanding any other provision of law, the provisions of titles II, III, IV, and V of this Act shall not be operative with respect to the 1968 and subsequent crops."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the Yates amendment and all amendments thereto, and on amendments to title VII close at 5 minutes to 7.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. GERALD R. FORD. Mr. Chairman, reserving the right to object, this leaves less than 10 minutes, and it seems to me anything involving this major problem we have before us should have more time allotted.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto close not later than 7:10.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. BROYHILL of North Carolina. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I move that all debate on this title and all amendments thereto close not later than 7:10.

The motion was agreed to.

Mr. YATES. Mr. Chairman, there have been many Member friends of mine who have come to me and asked me not to offer the amendment. They said it is not in the best interests of agriculture. I told them what I now tell the House: that I am in favor of a prosperous agriculture, that I am one who believes that the prosperity of our cities cannot be separated from the prosperity of rural America. I feel that the farmers are entitled to have a fair return on their investment and their endless hours of labor.

That is why I am going to vote for this bill. I will vote for the bill whether my amendment is accepted or whether it is not. There are a number of reasons for my viewpoint. I shall discuss only one now. In a memorandum I have received from the Library of Congress. It is stated:

At best, it appears probable that H.R. 9811 will only slightly decrease either Government stocks or Government costs. And, at best it appears probable that farm income will only be maintained at approximately current levels.

But it says this further: "However, most alternatives to the programs authorized."

That is, the alternatives authorized to the titles in the bill—"if adopted at this

time would either lower farm income or increase Government costs."

So, Mr. Chairman, I do not want alternatives which have been proposed to this bill because I do favor a prosperous agriculture and that is why I am voting for this bill.

The purpose of my amendment, Mr. Chairman, is simple. This is one of the most controversial bills that this Congress will consider. Is it too much to ask that the next Congress be given an opportunity to examine whether or not this bill, which many Members in the House consider has been altered substantially as a result of amendments that have been accepted, should be reviewed by the Congress after 2 years of operating experience, to see whether or not the costs are beyond a reasonable amount; and to see whether or not the goals that were devoutly desired by those who proposed this bill have been achieved?

We have been told on occasion—we have been told on many occasions that farm bills will achieve certain results and we have found over the next year or two after the conclusion or the operation of the programs that the things that were desired were not achieved.

Mr. Chairman, I say that the only question involved in my amendment is this—do you believe that the Committee on Agriculture and the Congress should engage in a searching and probing examination of this farm bill 2 years from the present time; or should the next Congress be allowed not to review a farm bill—of course, it can review it, I am told, at any time—it has a continuing supervision—but not to go into the question with the thoroughness and with great objectivity such as is the case when a bill is on the verge of expiring.

Mr. Chairman, as I indicated before, I will be much more comfortable if I am able to vote for a 2-year bill. I know many Members of the House have told me that they too would favor a 2-year bill because they wanted to have a good farm bill. For all these reasons, Mr. Chairman, I urge the acceptance of my amendment.

The CHAIRMAN. When the motion of the gentleman from North Carolina [Mr. COOLEY] was agreed to on limiting time for debate, the Chair observed those Members who were on their feet indicating a desire to be recognized.

Without objection, the Chair will divide the time equally among those Members.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma, the majority leader [Mr. ALBERT].

(By unanimous consent, and at their request, the time allotted to Mr. COOLEY, Mr. ROOSEVELT, Mr. BOLLING, Mr. CALLAN, and Mr. STALBAUM and Mr. CASEY was granted to Mr. ALBERT.)

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, this is one of the major bills which this great session of the Congress will consider this year.

This is a top priority bill, like the health care bill, the education bill, and

other significant measures that we have considered; its enactment will make the record of this Congress even more comprehensive and impressive than it has been up to now.

Mr. Chairman, this bill should be a 4-year bill. My good friend, the gentleman from Illinois, has stated that the administration recommended a 2-year bill.

The administration favors a 4-year bill.

It is true—and the gentleman correctly cited this fact—that in originally proposing this legislation the President asked for a 2-year bill. Since the study of the legislation and its further development in the committee, the administration has recognized that 4 years are necessary for the bill to bring about continued success in agriculture and this has become the administration's position.

In this instance the committee has improved the administration's original proposal, just as the great Committee on Ways and Means improved the proposal advocated by the administration in the field of health care.

My good friend from Illinois has said that we have been talking about achieving goals. What other country in the world has a surplus of all of the important things that its people need to eat? What farmers of what other country in the world are feeding their people at prices they can afford to pay and in addition are feeding hungry people throughout the world? American programs and American agriculture have attained their goals. They have given Americans an abundance of food and fiber at reasonable prices. They have made us the best fed people on earth.

Mr. Chairman, the wheat and feed grains programs have been successful. The wool program has been successful. It was originally proposed for a 5-year extension, but was reduced to 4 years to make it conform with the rest of the bill.

We need to get our cotton production in better balance. It will take 4 years to reduce our surpluses down to an adequate carryover.

We have the land retirement provisions in this bill. If I remember correctly, we defeated an amendment to restrict those provisions. Four years will give us a better opportunity to put into effect the land retirement provisions which are contained in this bill, to bring agricultural production into more favorable balance with demand.

Firmly based long-term planning and programs are of particular importance in agriculture. If there has been a fault in previous bills, the fault has been that neither the farmer nor the Secretary knew whether he could carry on a continued program over a period of years long enough to make certain that it would work. That is important to the individual producer. It is important to all segments of agriculture. It is important to the administering of the Government's farm programs.

A good farmer plans his operation for years in advance. He must arrange his credit, buy his equipment, plan for his yearly inputs and work out the use of his land, including rotation programs, ranging for as long as 7 years.

The most frequent complaint received today about our commodity programs is that they are changed so frequently that the farmer does not know how to plan. Again and again he is heard to complain that rules, procedures and regulations are no sooner worked out than along comes another set. This is disconcerting, inefficient, and frustrating.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(By unanimous consent, Mr. SISK yielded his time to Mr. ALBERT.)

Mr. ALBERT. Mr. Chairman, a minimum of 4 years is needed for this purpose. Two years is simply not enough time.

Mr. Chairman, this is an opportunity for the great 89th Congress to plant seeds of progress and achievement in still another sector of the American life—yet the passage of this bill is in the interests not just of American agriculture but of all America. We will serve our farmers and our country by voting down this amendment and by voting up this bill.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. TEAGUE].

Mr. TEAGUE of California. Mr. Chairman, I take this time only to point out that if the bill is recommitted we will not be without farm programs. There are permanent programs for cotton, feed grains and wheat, and several other commodities which will continue.

Members have heard how good these programs are and how well they have worked. They will not be off the books.

The only program which will expire is the wool program, about which there is very little controversy, and I am sure it could be extended by separate legislation.

So if you find yourselves, as I do, perhaps favoring certain sections and not favoring others, then vote to recommit.

The CHAIRMAN. The Chair recognizes the gentleman from Washington, [Mr. FOLEY].

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, I wish to begin by stating my great appreciation for the remarks made by the gentleman from Illinois in saying that he would support this bill, regardless of the outcome of his amendment. He is a gentleman who has shown a conscientious interest in the welfare of rural districts throughout his service in the House and he must be complimented on that as I wish to do now.

However, I feel strongly that this amendment of his would be a serious mistake. As the distinguished majority leader [Mr. ALBERT] pointed out, the stability of these programs is threatened by this amendment. The constant complaint of farmers is that they have no time to plan these programs. In my area we raise one major crop every 2 years, which means that the bill will be reduced to a one-crop bill if this amendment passes. Our ability to trade internationally will be crippled. International negotiations are now underway to extend our export program. The U.S. position in these negotiations would be adversely affected if this amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. STRATTON].

(Mr. STRATTON asked and was given permission to revise and extend his remarks.)

Mr. STRATTON. Mr. Chairman, I rise in opposition to this omnibus farm legislation. I do so with some reluctance, because I am interested in the dairy section of this bill, title I, and I would be prepared to support the dairy section if it were offered by itself. It was in fact my hope that perhaps I could have found some parliamentary device that would have given us an opportunity to vote title I up or down by itself, without it being tied in with feed grains, wheat, cotton and wool. But under the rules of the House there is no way to do this, except through the motion to recommit. Under the rules that motion must come from the minority side of the aisle and after conferring with the minority leader, Mr. Ford, I understand that the recommitment motion will be a simple one, without any instructions.

I feel very strongly, Mr. Chairman, that the omnibus approach being used for this farm bill is a very bad procedure and a very bad way to legislate. Apparently the rationale is that if you put into a single bill enough separate items that this or that particular group might favor, you will be able to build up enough total votes to push through several other measures which a lot of other people do not favor and which might well never survive on their own. You just never get a chance this way to vote on the individual items by themselves, on their own merits.

This presents the individual member, especially one like myself, who has the honor of representing a substantial farm constituency, with a difficult dilemma in casting his vote. If there is one feature in the bill which he favors, and which he would like to vote for, he cannot do so unless he also is willing to vote for a number of other features which he does not favor and which may be opposed by a large majority of his constituents. On the other hand, if the Member opposes those features which his constituents oppose and wants to vote against them, he cannot do so without also casting a vote against some other feature which he and his constituents may actually favor. Either way you find yourself in an unpleasant bind. So you vote for what you disapprove in order to obtain something which you approve of, or do you vote against what you and your people favor in order to try to block other legislation of which you and your constituents strongly disapprove?

Mr. Chairman, I favor the dairy section as I have said. It is the so-called two-price plan or the class I base plan for dairy farmers. I have in fact introduced this legislation myself in the previous Congress. It has substantial support from the farmers of my district, although not, of course, their unanimous support. It has support from the people of my district who indicated in a recent questionnaire that they favored this title I approach by a margin of 2 to 1.

I am frank to say, Mr. Chairman, that I did not feel quite as strongly as I did

2 years ago that this class I base plan will meet all the problems which the dairy farmers in my district are facing. There are many things it would not do. I am afraid it may not bring about enough of an increase in the price of milk, for example, to make up for the heavily increased costs of production which upstate New York dairy farmers have incurred as a result of another year of bruising drought. Nevertheless, Mr. Chairman, it should be pointed out that this title I plan is permissive legislation only. It cannot be enacted in any milk marketing order unless two-thirds of the dairy farmers approve. And in that referendum, I might also point out that the individual dairy farmers vote as individuals without any bloc voting and without running the risk that occurs in every other marketing order referendum that a negative vote will mean an end to the milk marketing order itself.

This is an eminently fair approach, as outlined in title I. Many people favor the class I base plan. Many cooperatives support it. The late Owen D. Young, former chairman of the board of the General Electric Co., proposed a similar plan for the relief of the dairy farmer back in the 1940's. If the dairy farmers want to try this plan out, then surely I believe they ought to have a chance to enact it, in a fair and free referendum. That is why I would strongly favor the enactment of title I.

But, Mr. Chairman, I cannot support title I under this omnibus approach which now confronts us in this House without also voting for the wheat program, contained in title V of the bill, and the cotton program, contained in title IV. I am strongly opposed to both of these programs. I believe they would have a bad effect on the farmers in my district. What is more, they are strongly opposed by the people of my district. Take the wheat program, for example. My district, by the way, grows a lot of wheat, especially in the western end, in Cayuga, Seneca, Ontario, and Yates Counties. Yet in the same recent questionnaire I sent out to my district my people indicated that they opposed the wheat certificate program—with or without the so-called bread tax—by a margin of 3 to 1. In fact, my farmers voted against this same basic approach to wheat by a margin of some 70 percent in the referendum held back in 1963. In spite of all the wheat farmers who live in my district, I do not believe that more than a handful have indicated their support for the wheat program in this bill and literally hundreds have urged me to vote against it.

And so, Mr. Chairman, after careful consideration of all the factors involved, I have come to the conclusion that I cannot in good conscience support this bill. I cannot impose a wheat program on my people that they so strongly oppose merely because I am willing to give them an opportunity to vote for a dairy plan that they have indicated they might favor. And more than that, I am strongly opposed to this omnibus approach. I would like to see the com-

mittee reconsider this bill, and bring it out separately, so that it can be considered separately. In that case I would support the dairy section strongly.

Therefore, Mr. Chairman, I shall support the motion to recommit. If that fails, I shall reluctantly vote against the omnibus bill.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I have an amendment I wish to offer.

The CHAIRMAN. Is this an amendment to the amendment?

Mr. MICHEL. No.

The CHAIRMAN. There is an amendment pending.

The Chair recognizes the gentleman from Michigan [Mr. GERALD R. FORD].

Mr. GERALD R. FORD. Mr. Chairman, I rise to indicate my support for the amendment offered by the gentleman from Illinois, but I want it clearly understood that regardless of whether or not that amendment prevails I intend to vote against the bill. It seems to me that ever since the end of World War II, we have had one patchwork job after another in trying to resolve the problems of American agriculture from a legislative point of view. As our problems mounted over the years we have been sticking our finger in the dike here and then there trying to stop the ever-increasing leaks in the dike. In every case we have failed to solve the real, the basic, problem. This 54-page bill will, under no circumstances, really attack or solve the problems facing American agriculture. At the very most this legislation should be for a 2-year period. The amendment if approved will permit the next Congress to examine the problems and remedy many of the errors the House may make if this bill is approved later today. To help retain legislative control I support the amendment but urge defeat of the bill in the final decision.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. RONCALIO].

(Mr. RONCALIO asked and was given permission to revise and extend his remarks.)

Mr. RONCALIO. Mr. Chairman, I rise in opposition to the amendment and in support of the 4-year program. I believe 4 years is a minimum time required for any successful program and I think there are 435 persons in the Nation who ought to know 2 years is not enough time for much of anything.

I thank you and yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. TODD].

Mr. TODD. Mr. Chairman, I reiterate my support for the Yates amendment. I think it is an intelligent approach and hope the bill can be rewritten in the next Session of Congress. The debate that has taken place at this Session has indicated that there are many serious loopholes in the present legislation and I would like to see a more constructive approach taken to the problem.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. ANDREWS].

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in opposition to the amendment, out of concern for the farmers who need at least a minimum of 4 years to be able to plan their farming ahead. We can certainly make amendments to improve the act as we go along during the 4-year period. I would think out of concern for our farm program, and so that we are not thrown into this every year with the great confusion of trying to renew the program each year, we should vote against this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. OLSON].

Mr. OLSON of Minnesota. Mr. Chairman, I would like to remind my colleagues that the House Committee on Agriculture has put in 7 months on this bill. Members have voted on bills in this House that were as involved and that had less committee consideration. We have worked hard. We have done a good job. To ask us to do it all over again in 2 years I do not think is going to be of any special avail. I hope very much you will vote down this amendment and support the committee.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, for the last 19 years and more, despite all the so-called farm bills that have been passed, the farmers of this Nation have failed to obtain justice and their reasonable share of the national income. If this farm bill fails as badly as have those that were passed previously I want the opportunity within 2 years and not 4 years to do something about it. I would further say to some of you that there might be another "14(b)" repeal bill lurking around somewhere that would be subject to trading as was this measure.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I rise in support of this amendment which I had planned to offer myself until I learned that my colleague from Illinois was offering it. I am not as enamored as the distinguished majority leader at the prospects of this legislation being any more successful in solving the farm problem of the country than past farm programs. It just seems to me that we should look this whole matter over again within 2 years in view of the rapid changes in every segment of our economy. I believe this amendment should be adopted as a matter of good sense and sound judgment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 93, noes 131.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 50, after the period on line 25, add the following: "The total adjustment payments made by the Secretary under this title with respect to any one year shall not exceed 20 per centum of the fair market value of the farm."

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, yesterday I offered somewhat of a similar amendment to the feed grains title of this bill and was defeated.

Earlier this afternoon, I was beaten down on my motion to strike the so-called snap back clause so now you have foreclosed yourself from limiting payments in the cotton section for the life of this legislation.

I suspect that if I had control of the motion to recommit this bill with a \$100,000 limitation on the entire package I might get some surprising support.

The truth is there will be payments under the cotton title of this bill that will be 5 or even 10 times this amount. Just you wait and see.

These fantastic direct payments are money in the bank for the big corporate operator—yes, the doctors, lawyers, professionals, and businessmen.

Sometime ago the Lawyers Weekly Report entitled "What's Happening in Washington" and published by Prentice-Hall, Inc., June 7, 1965, came across my desk and what do you think it says to the lawyers in an item captioned "A War on Farm Poverty"?

It says:

The administration's 1965 farm bill seeks to give the farmer more chances to make money.

As for land, the administration wants to sign 5- to 10-year contracts with farmers to divert croplands to water, wildlife, or forest conservation, and for open spaces and recreation * * *

Then, Mr. Chairman, in italics there is a significant note which says:

For those considering retirement or investment in a farm, this last provision would mean income from the land without having to sell or farm it.

And further, Mr. Chairman, a suggestion which reads:

Keep in touch with your Senators or Congressman to follow the course of this legislation.

As I have said time and again, this bill is tailor made for the big operator and ignores the small farmer altogether. I just want to make sure that in this new cropland adjustment title we hold some checkrein on it and do not permit outlandish payments that would exceed in any one year 20 percent of the reasonable market value of the farm.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The amendment was rejected.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 54, line 25, insert the following:

"Sec. 707. Notwithstanding any other provision of law, the total amount of payments made by the Secretary to any producer or producers on any farm under the provisions of titles II, III, IV, V and VI of this act shall not exceed \$25,000 in calendar year 1966 or in any calendar year thereafter. In the case of any producer or producers owning, operating, or controlling more than one farm, the limitations set forth in the preceding sentences shall apply to such producer or producers. For the purpose of this section the term 'producer' shall mean an individual, partnership, firm, joint stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof and the term 'payments' shall include price support payments, diversion payments, incentive payments, rental payments, and the value of both domestic and export wheat marketing certificates."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 59, and noes 144.

So the amendment was rejected.

(Mr. McMILLAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. McMILLAN. Mr. Chairman, notwithstanding the fact that this proposed amendment was declared not germane to this bill, I want the bill printed in the RECORD as I will introduce it as a separate bill.

Notwithstanding any of the provisions of section 1421 and 1423 of this title, the Secretary of Agriculture shall administer the price support program for tobacco uniformly between the several States, and shall not deny price support to tobacco offered for sale in any marketable form by an eligible producer, when marketing quotas are in effect, because of the geographical location of the place of production or marketing; nor shall he vary the support level of tobacco between the various States whether with reference to production or marketing; nor shall he require different marketing practices between the several States as a condition of eligibility for price support; nor shall he vary price support between the States on the basis of State of residence of the producer, historical patterns of marketing, or traditional mode or method of preparation of tobacco for marketing.

Also, I would like the RECORD to show that I associate myself with the amendment that was adopted which was offered by the gentleman from Georgia [Mr. O'NEAL] on cotton.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. SKUBITZ. Mr. Chairman, first, I want to commend the leadership for giving this body an opportunity to work its will upon this bill. You will recall that last year the farm bill was brought up under a "gag" rule that limited debate to 1 hour and forbid the right to offer amendments. It was presented to us on a "take it or leave it" basis. For this

and many other reasons which I will not elaborate upon at this time, I chose to "leave it."

I for one believe that every Member should have the right to debate and submit amendments he deems advisable on all legislation.

I shall support this bill, but I would be remiss if I did not say that I do so with considerable misgivings. Insofar as the wheat provision is concerned, this bill does nothing to get at the real problem. All we do is to admit our failure and postpone the day of reckoning. If I thought for a moment that my vote would result in the defeat of this measure and that this body would then face up to its responsibility and come forth with a proposal that would give the farmers of this country a real choice—I would do so. Last year, I was convinced that the defeat of the farm bill would force immediate action on the part of the administration—but this is another year—this is not an election year. This administration which looks to the cities and urban centers for its support could care less for the farmer. Not until the administration ceases using the farmer as a pawn in this international chess game of world politics—not until we cease making the farmers of this country the residual supplier of food and fiber, while our so-called allies go on their merry way—will we start down the road toward getting the Government off the farm and return to the farmer the right to manage his own operation.

Day by day I am becoming more convinced that the interests of the farmer would be best served by getting out of the International Wheat Agreements and GATT. I for one am getting fed up with our so-called allies who pay "lip-service" to the fight against communism but have no scruples when a "fast buck" can be made through trade with Communist countries. Either we are in this fight together or we are not. And it is time that we start doing a little "straight from the shoulder" talking.

I regret that this body did not support the Dole-Skubitz amendment which would forbid the CCC from selling its stock for less than 115 percent of the support price. I am hopeful that the other body will assert its independence and pass a similar amendment.

Mr. Chairman, it might be well to ask, "What happens to the farmer if this bill is defeated?" What happens to the farmer to whom we pay so much "lip-service"?

I fear that the alternative that wheat farmers face in the event the present wheat program is not extended is less desirable than its continuation under H.R. 9811.

If H.R. 9811 is defeated, the permanent wheat law sets up a referendum choice for the Nation's wheat farmers. The choice they would have would be basically the same choice they had 2 years ago when the referendum failed. The choice would be between strict controls under a certificate plan or price support at \$1.28—only 50 percent of parity—to those farmers who might comply with their acreage allotments.

Thus, the choice would again be tight controls or very low wheat prices for all wheat farmers.

An important point to remember too is that whichever way the referendum might go, all wheat farmers would be bound by that decision. There would be no individual choice left.

Thus, to my way of thinking, the extension of the present program as embodied in this bill is preferable to the situation which would confront all wheat farmers if it were defeated. These reasons come to mind:

First. H.R. 9811 provides domestic support at \$2.50 per bushel through certificates and Government payments. The permanent wheat law provides a maximum domestic support of \$2.31 and then only, as part of a strict control program.

Second. H.R. 9811 would allow each individual farmer to decide whether he wanted to be a complier or not. The permanent wheat law would bind all wheat farmers to the will of the majority.

Third. The time is late for winter wheat farmers to plant their 1966 crop. If we wait until 30 days after Congress adjourns before holding a wheat referendum, it could be Thanksgiving or perhaps Christmas time, and snow would be on the ground. Obviously the uncertainty of the outcome would leave wheat farmers in a most difficult position.

Fourth. Should the other body approve an amendment similar to the Dole-Skubitz amendment, it would improve market prices to both complying and noncomplying wheat farmers in 1966 and the next 3 years. This increase to 115 percent of the support price would be an improvement over the 105-percent release price in the permanent wheat law. Expressed another way, this amendment means about a dime or more per bushel to every wheat farmer.

Fifth. Another factor is that the An-fuso amendment is suspended for another 4 years by H.R. 9811. Under the permanent wheat law, it would again be in effect next year.

The proposed cropland adjustment program will offer a semblance of relief to the farmer.

The proposed cropland adjustment program has a broad and long-term significance for farm and nonfarm people. It faces up to the fact that the United States has millions of cropland acres that at present are not needed for food production. This program would provide for a needed use of up to 40 million acres of this surplus cropland.

The cropland adjustment program would supplement—not replace—the annual commodity programs, especially those for feed grains and wheat. A portion of the acreage now diverted under these programs would begin to go under a new long-term crop adjustment program, and over a period of years this would increase.

The program would help some farmers to remain on the farm while helping reduce unneeded crops and improving their level of living by off-farm employment. It would help older farmers gradually retire from farming. Disabled

farmers, widows, and others not able to do heavy work would be helped to get out of active farming and still have an income in return for needed cropland adjustment.

To protect the local economy, the law would provide for restricting the total acreage diverted in any one county. This would avoid severe harm to a county's farm base, as sometimes happened in the early days of the conservation reserve.

In closing may I say I have received hundreds of letters from farmers in my district, both for and against the wheat program. One farmer pretty well stated the case for those who favor the bill when he said "This bill stinks, Joe, but I'm afraid if this bill is defeated, this administration will let the farmer stew in his juice. If my advice is worth a damn, vote for it, but hold your nose."

Mr. BINGHAM. Mr. Chairman, in considering H.R. 9811, the omnibus farm bill, which is strongly supported by President Johnson's administration, I have tried to keep in mind not only the interests of my district and my State, but the interests of the Nation as a whole. I have done so because I feel very deeply that the well-being of all parts of our Nation is closely interdependent. No geographic section, no population group—however well off it is—can permanently build its prosperity unconcerned with the impoverished of any other section or group. Nor should it try to do so. If our society is to be a great one, we cannot permit the existence of pockets of poverty anywhere, for these pockets will only depress conditions throughout the entire country.

There is always a temptation to legislate solely in the direct interests of one's own constituency. In many ways, that is the easy thing to do. However, many of the Members of this Congress from farm areas have resisted that temptation, and they have helped to make possible the most constructive legislative record in many years, including several major bills of primary interest to urban areas. Members from urban districts should likewise consider the entire national interest.

We must also be mindful of the dangers that the plight of the farmers holds for our economy. Every depression and every recession in recent years has been farm led and farm fed. Poor economic conditions on the farms have too often spread to the cities and the suburbs. These conditions must be prevented, and governmental action is necessary to prevent the collapse of the agricultural sector of the Nation's economy.

Farmers have not been sharing fully in the growing prosperity of the Nation. Farm families have not enjoyed the same rise in standard of living that has characterized the urban and suburban groups. The agriculture programs of the Kennedy and Johnson administrations have helped to correct this trend. Expected farm income for this year is at the highest level since the Korean war. But farm debts have increased by 50 percent since 1960 alone.

If the Government were to withdraw entirely from the farm economy, as some

have suggested, farm income would drop staggeringly, perhaps by as much as 50 percent, while overproduction would be aggravated.

The alternative can be found in the omnibus program before us. It is not a final solution by any means, but it is on the whole a good bill. I base this conclusion, not only on my own study, but on the judgment of many of my colleagues from rural areas whose views I respect. The bill will support the prices that farmers who cooperate with the various programs will receive for their production of wheat, cotton, feed grains, wool, and dairy products, while it will make possible further decreases in the stock of Government-owned surpluses. It will continue, and increase, the program of acreage retirement, taking unneeded acreage out of production and conserving it for vital use by later generations.

We have heard much about a bread tax in this bill. The bill reported by the committee raises the price the farmer receives for a bushel of wheat to be consumed in this country from \$2 to \$2.50. In its original form, the bill would have caused the 50 cent increase to be passed on to the consumer, who would probably have had to pay at least a penny more for each loaf of bread he purchased. There was little doubt that the increase in the wheat farmer's income is desirable, but there was a serious question as to the best way to finance this increase.

I supported the amendment to shift this additional cost to the Government's general funds. In this way, the needed increase will be financed from the progressive tax structure. If this amendment had not been adopted, the increased price would have been a burden on consumers, especially low-income consumers, because consumption of wheat products is greatest among those who have the lowest incomes. Adoption of this amendment materially improved the bill, and I urge its passage.

Mr. ADDABBO. Mr. Chairman, I wish to advise the House and the committee that I have been receiving many protests from constituents relative to the so-called bread tax, and I know many of my colleagues have also. I oppose any additional subsidies, especially those that would further burden the consumers who are still the largest group of taxpayers in this Nation.

I have supported and will continue to support the elimination of this so-called bread tax now. If this bread tax is removed by this body and should be re-instituted in the other body of this Congress, I shall continue to oppose it.

Mr. Chairman, as we debate and discuss this farm bill, there is another segment of our economy which is equally important to the welfare of this Nation and which must be discussed because it is not indirectly but is directly affected by our farm program and that is the status of our merchant fleet.

I wish to join with my colleagues who believe that the Secretary of Agriculture should clarify for this body his position on the Cargo Preference Act.

I have always believed that a strong American merchant marine is vital to the

interests of this Nation. This has been amply demonstrated in recent weeks when we have had to pull vessels from the mothball fleet into service to move supplies for our forces in Vietnam.

In spite of the general assurances from the Secretary of Agriculture recently given on this subject, in my opinion, they are not sufficient when we take into account the Secretary's statement on March 19, 1965, to the Subcommittee on Agriculture, Committee on Appropriations, that the requirement on the use of American-flag merchant ships is detrimental to the export of U.S. farm products.

At the present time, the carriage of agricultural commodities is one of the few remaining lifelines of American shipping. The Cargo Preference Act was enacted by the Congress, signed by the President, and it is the law of the land. We should make sure that the Secretary of Agriculture will fight vigorously to fulfill the letter of the law rather than mount an offensive to destroy this last bit of security the American-flag merchant fleet has.

In my opinion, this is the time for the Secretary to stand up and be counted—he wants security for the American farmer and I have no quarrel with that, but I say that our merchant marine must be assured of its security by adherence to the Cargo Preference Act.

Mr. SISK. Mr. Chairman, I have today introduced a resolution to create a Select Committee To Conduct a Study and Investigation of the Cereal Grains Industry.

The resolution provides for the creation of a select committee to be composed of five Members of the House of Representatives appointed by the Speaker for the purpose of conducting a study and investigation of all aspects of the wheat and other cereal grains industry in order to obtain all facts possible in relation thereto which would be of public interest and would aid the Congress in enacting remedial legislation. The committee would be directed to submit to the House prior to the close of the present Congress its final report on the results of its study and investigation, together with such recommendations as it deems advisable.

The urgent need for such an inquiry by a select committee of the House is forcibly demonstrated by the widening gap between retail bread prices and farmers' wheat prices since World War II. In nearly every year since 1945, bread prices have risen. In more than half the years, the farmers' price for wheat has declined. Consumers paid an average of 20.7 cents for a 1-pound loaf of white bread in 1964, which was 8 cents more than the 1947-49 average—a 63-percent increase. At the same time, the farm value of the wheat in the loaf dropped from 2.7 to 2.5 cents. The farm value of all ingredients in the loaf declined from 3.3 to 3.2 cents.

The average retail price for a loaf of white bread increased to 20.9 cents by February 1965—0.3 of a cent more than a year previous. In this same 1-year period, the farm value of the wheat in the loaf rose from 2.6 cents to 2.7 cents—

an increase of only 0.1 of a cent. This increase in the farm value of wheat includes the 70 cents per bushel received by farmers as the value of the domestic marketing certificate by complying fully with the Federal wheat program. Thus, only one-third of the increase in the price of bread to the consumer in the 1-year period from February 1964 to February 1965 was due to the increased total farm value of wheat under the Federal wheat program.

The principal reason for the increase in the retail bread price since 1947-49 is the increase in the baker-wholesaler share of the price of a loaf of bread. In 1964, the baker-wholesaler share of the retail bread price was 55 percent. The retailer's share was 18 percent, and the flour miller's share was less than 5 percent. On the other hand, the farmer's share of the retail price of bread in 1964 was only 15 percent—a substantial drop from his share in 1957-49 when it was 26 percent of the retail price of bread.

A notable factor in the substantial increase in the baker-wholesaler margin included in the price of bread to the consumer is the lag in labor productivity in the baking industry. During the 11-year period 1947-58, labor productivity in the baking industry rose only 18 percent, the lowest among the major food product industries. In the same period, 1947-58, the number of man-hours used for farmwork in the production of food grains declined by 55 percent while, at the same time, the production of food grains increased by 10 percent. This represents an increase of production per man-hour on the farm of 2½ times in an 11-year period. Farmers, like the bakers and millers, have been faced with sharp increases in their costs. Unlike the bakers, particularly, the farmers, through phenomenal gains in their productivity, have largely offset the double impact of higher cost and lower prices.

The consumer, as well as the farmer, has a vital interest in the causes of the increasing spreads between farm and retail prices of bread and other food products made from cereal grains. A thorough study is urgently needed to determine the causes for this increased spread and to recommend remedies that will narrow the spread and reduce the price to the consumer of these food products without cutting the income of the farmer.

The baker-wholesalers' margins have increased not only in the baking and processing of products but also in the sales and distribution of such products through distributors and retailers. Significant improvements in the organization, processes, and practices of the baking industry appear to be needed. Just what these changes should be and how they should be put into effect is one of the problems that the select committee will study.

A recent technological development that warrants further study is the use of freezing by bakers which makes it possible for the consumers to get fresher quality in bakery products, as well as to obtain products that can be shipped greater distances without danger of perishing. The market potentials for frozen dough and frozen bakery products and

how these potentials can be developed and satisfied by the baking industry is a prime subject for study and analysis.

Another area in which inquiry should be made is the extent to which the rapidly rising spread between farmer and consumer prices is caused by combination agreements, and arrangements among industry members to fix and maintain prices of flour and bakery products and other foods produced from cereal grains, and to allocate customers and territories, in ways which may be in violation of the antitrust laws. The Department of Justice in recent years has filed a number of actions to prevent the continuing spread of these illegal practices in the milling and baking industries.

While not as spectacular as the price spread in the bread industry, another area in which the difference between the prices received by farmers for cereal grains and the prices paid by consumers for food produced therefrom is the breakfast foods industry. During the period from 1947-49 to 1961, the retail price of corn flakes and rolled oats increased 54 percent. During the same period, the farmer's share of the consumer's dollar spent for corn flakes declined from 9 percent in 1947-49 to 4 percent in 1961. For rolled oats, the farmer's share decreased from 34 percent to 17 percent in the same period.

In 1961, the consumption of breakfast foods made from cereal grains in the United States was about 1.7 billion pounds, or nearly 10 pounds per person. Manufacturer's sales were an estimated \$500 million, and retail sales were considerably larger. Marketing costs in the breakfast foods industry have increased to an alltime high. The hourly wage cost in the breakfast foods industry increased 105 percent from 1947 to 1958, compared with hourly wage increase of employees in all food marketing firms during the same period of only 57 percent. Thus, there are strong indications that the breakfast foods industry is not performing as efficiently as other food manufacturing industries.

Another development in the breakfast foods industry that warrants thorough inquiry is the decline in the number of breakfast food manufacturing companies since World War II. For example, the number of such companies decreased 58 percent between 1947 and 1958. This decline occurred despite a steady increase in the demand for an consumption of ready-to-eat breakfast foods. The breakfast foods industry is one of the most concentrated industries among all manufacturers of food products. In 1958, four companies accounted for 83 percent of the total industry value of shipments. In 1961, an estimated 80 percent of the dry cereal market was shared by three large companies.

Margins and profits generally among breakfast food manufacturers have risen while the number of companies has declined and production has been increasingly concentrated among a few major companies. The average net profit after taxes in the breakfast foods industry was estimated at 6.2 percent of total sales in 1961. This percentage rose annually

from 1951-58 and then appeared to have leveled off. These profits were higher than the average profits of 45 leading manufacturers of other food products for which data are available.

Out of each consumer dollar spent for cereal breakfast foods in 1961, only 3.8 cents, in the case of corn flakes, and 17 cents, in the case of rolled oats, went to farmers. The remainder went to assemblers, processors, or manufacturers, wholesalers, and retailers.

This discussion merely highlights some of the problems faced by consumers and farmers alike in the consumption and production of food grains and their products. But it underscores the urgent need for the creation of a select committee of the House of Representatives to conduct, on a priority basis, a study and investigation into all phases of the wheat and other cereal grains industry.

Mr. WALKER of Mississippi. Mr. Chairman, as a member of the House Committee on Agriculture and a representative of the people of the Fourth Congressional District of Mississippi I am concerned about the proposed farm bill, H.R. 9811. In my opinion it does not offer a sound solution to the present economic crisis of the small farmer.

Although we have heard much recently about high food prices—and record high cost-of-living figures, and I have been among those most outspoken against conditions that have caused such inflationary price hikes, I feel compelled to point out that it is certainly not the farmer who is reaping the benefits from the increased consumer costs. As a matter of fact, the average farm income is actually less in most cases today than at the same period last year.

To cite a few examples to support my claim—today the retail cost of tomatoes is at 33 cents a pound compared with 29 cents a pound a year ago. The price at the farm for tomatoes has actually dropped from about 10 cents a pound in 1964 to a low of 8 cents a pound today. Eggs retailing for 65 cents a dozen were sold for 46 cents a year ago. But the wholesale price at the farm has dropped from about 38 cents a dozen to around 30 or 31 cents a dozen now. One other example: watermelons that brought 20 cents on the farm last year are being wholesaled for 15 cents today. These same melons have actually jumped in price about 20 percent at the retail level.

The way I see it, the omnibus farm bill not only continues, but extends and expands current administration farm policy—and, although there is no direct application in H.R. 9811 to the products just mentioned, there are titles which affect producers of these and similar table products indirectly. I fear that this bill will merely increase the cost of operating the Department of Agriculture, and cause further price increases at the consumer level for most all farm products.

I do feel that there are certain sections of this omnibus bill that if considered aside from the remainder of the bill would have good effect upon our agricultural picture. But to support so much bad to get a small amount of good would not be in the best interests of the people in my district.

I cannot support legislation that in my estimation leads to further inflation and higher taxation. Thank you.

Mr. CAREY. Mr. Chairman, there are several grave reasons why I cannot support the farm bill presently before us.

As one who is interested in a balanced economy, along with a satisfactory solution to the balance-of-payments problem, one of my principal objections to the measure is its failure to provide adequate concern for the security of our merchant marine and the welfare of our merchant seamen. I find it hard to understand the present policy of the Secretary of Agriculture and his deputies in their open defiance of Public Law 480, which clearly expressed the will and intent of the Congress.

Plans are now being made that would further hamper and obstruct the shipment of surplus farm commodities in American vessels. It would seem that we are deliberately playing into the hands of economic opponents on the premise that a few dollars saved in exporting surplus commodities will be of great benefit to the farm program.

Just the reverse is true.

If we do not make every effort to strengthen and support the merchant marine as well as other segments of our economy, we cannot hope to generate the revenues necessary to assist the farmer.

I feel so strongly on this point that I believe nothing short of a complete reversal or turnaround of the Secretary's policy is necessary to assure us that he means to follow the will of the Congress and implement the clear intent of Public Law 480.

It is my conviction that every Cabinet member and, indeed, every office of the Government has a responsibility to do everything possible to correct the balance-of-payments problem. The shipping of surplus commodities in foreign vessels is such a grievous waste of American currency that it seems rather foolhardy to ask travelers and others not to spend dollars abroad when the Secretary of Agriculture persists in setting such a bad example.

Mr. SCHMIDHAUSER. Mr. Chairman, I would like to take this opportunity to state my strong support for H.R. 9811, the omnibus farm bill. I strongly urge the passage of this bill. I have supported this program since its inception and have urged a number of improvements among which is a 4 year program to extend through 1969, thereby providing stability for long-range planning.

Two-thirds of all farms produce feed crops. The economic well-being of the multibillion-dollar livestock and poultry industries is in large part dependent on feed grain price and supply stability. It is gratifying to report that feed-grain exports have expanded rapidly in recent years and are a major dollar earner in our national effort to achieve a favorable trade balance. The agriculture economy of my district in southeast Iowa is indeed a vital part of this important operation.

The vital feed-grain program during the last 4 years has increased producer income \$3 billion above the level under the previous program. It has reduced

the feed grain stocks more than 30 million tons from the record high 85 million ton level at the end of the 1960 crop-marketing season. It has kept Government costs down from what they would have been if the surplus had continued to rise. It has promoted stability in the feed-grain and livestock sectors of agriculture.

Passage of this program is absolutely essential to southeast Iowa because, without this action, it will be necessary to return to the ill-advised program of the 1950's, which I am sure all of you remember clearly. A return would mean a support of 75 to 80 cents per bushel for corn, with no protection against a renewal surplus buildup. Also, a return to the 1950's would mean increased Government costs since the successful voluntary feed-grains program have reduced ultimate costs to the Government by \$2 billion. The authority provided in the House bill will continue and increase these savings.

I also am pleased to point out that the percentage of total eligible farms participating in the 1961-65 feed grains program has steadily risen to 65 percent with 74 percent of the total base acreage on participating farms. In southeast Iowa, these figures are even higher in some of the counties. My own poll of agriculture producers indicated overwhelming support with 85 percent favoring the extension of an improved program.

The feed grains title of the omnibus farm bill continues the provisions for price-support loans, purchases, and in-kind payments to feed grain program participants. In keeping the price-support range at 65 to 90 percent of parity for corn—with comparable levels for grain, sorghum, barley, oats, and rye—it provides the basis for support prices around levels of recent years.

Participants, by diverting acreage from feed grain production to conservation uses, will receive, as in the past, payments-in-kind to help maintain income during the period of adjusting production to needs. In a departure from 1964 and 1965 programs, it would be limited to corn and grain sorghum, however, if designated by the Secretary, barley, and under certain conditions, oats, and rye, could be included.

The title does not authorize soybeans as one of the substitute crops, but it permits the Secretary to have acreage devoted to soybeans considered as devoted to feed grains for purposes of the price-support payments-in-kind.

In addition, I would like to urge support of the inclusion of my proposal to assist farmers adversely affected by natural disasters. Under these provisions, farmers who are prevented from planting their feed grains because of some natural disaster would be permitted to obtain the same program benefits as if they had planted. I believe this provision will provide significant benefit to southeast Iowa farmers who have suffered severely because of the recent disastrous floods.

In conclusion, I believe that through passage of the omnibus farm bill we will take a historic step forward toward a fully developed agriculture economy.

I am confident that all southeast Iowa's economy as well as the economy of this Nation will surge toward new records of growth and prosperity. I urge support of this bill.

Mr. FARBERSTEIN. Mr. Chairman, it has always been the intention of the Members of this House to legislate for the benefit of all the people. We try to further the interests of our own districts and regions when we can, but we also try to see that one sector of the population is not aided at the expense of another. The national interest is always uppermost in our minds.

It is in keeping with this tradition that the House has seen fit to accept the amendment to the omnibus farm bill, H.R. 9811, offered by the distinguished chairman of the committee, the gentleman from North Carolina [Mr. COOLEY]. The gentleman's amendment to title V, the wheat provision of the bill, will insure that while the wheat farmer of the plains will still receive the assistance he deserves, the city dweller will not suffer as a result.

Title V of the bill, as it was originally written, might have had the effect of raising the price of bread and other wheat products used as a staple food by the city dweller. As one who has the honor to represent a district in the heart of the great city of New York, this possibility caused me grave concern. I knew that the wheat farmers of this Nation desperately need help. I also knew that my constituents might be forced to pay more for their bread as a result. Now my mind is put at ease, for Mr. COOLEY's amendment allows us to help the farmer without hurting the urban population.

Originally the wheat provisions of H.R. 9811 called for a 50-cent rise in the price of wheat certificates which bakeries and millers must buy from farmers as part of the agricultural price support program now in effect. It appeared that the baking companies might not be able to absorb that price increase, and might be forced to pass it on to the consumer.

We in the Congress were told repeatedly by the lobbyists for the wheat processors that the baking companies would "regretfully" find it necessary to up the price of bread 2 to 3 cents as a result of the wheat certificate price rise, although the Secretary of Agriculture contended that only a seven-tenths of a cent price increase—which in my district means 1 penny—would be justified on the part of the baking industry.

Now, I am not sure whose figures are the correct ones. But it did seem to me that this particular means of adding to the price support on wheat was a new and novel and not necessarily beneficial one. Price support increases in cotton, corn, tobacco, and other farm products, have in the past been borne by the funds from the Treasury of the United States, i.e., from general tax revenue. The burden of paying for increased price supports on various farm products, including wheat, has been distributed over the whole population, and not placed solely on the product's primary consumer—in this case, the baking companies.

With the amendment proposed by the gentleman from North Carolina and

passed by this House, the rise in the cost of wheat certificates will be borne by the Commodity Credit Corporation, a Government agency in the Department of Agriculture. The present method of financing farm price supports will continue without causing the burden to fall mainly on the urban bread consumer.

Mr. Chairman, a rise of two cents in the price of a loaf of bread may not sound like very much to some people, but I hasten to assure them that to the economically under-privileged city-dweller, living in an urban poverty pocket, those two cents can become very important indeed. The Office of Economic Opportunity has estimated that some urban families have only 23 cents to spend per meal. In those circumstances, two cents on a loaf of bread can mean the difference between children who are hungry and children who are fed. That being the case, it was a matter of the greatest import to me that my constituents, many of whom have low incomes, should not have to bear this extra cost on a staple product. With the passage of the Cooley amendment, they will not have to.

Some people may be moved to ask if this increase in the wheat price support was necessary at all. They will be city people who still believe that rural America is a garden paradise made up of prosperous family farms. This may have once been a true picture, although I doubt it. It certainly is a pure myth today.

The family farms are fast disappearing, and most of those that remain are studies in poverty, misery, and degradation. Even the big "farm business" are hard-put to show a reasonable profit. The reason for this is simply that technological advances have increased farm output much faster than domestic demand has increased, creating large agricultural surpluses and threatening a total collapse of farm prices. We have, in the past, found it necessary to institute a series of farm price support programs to protect the economy of the nation. Even so, the total farm income has dropped 12 percent since 1952, from \$14.4 billion, to \$12.6 billion. It has now become necessary to raise the price support on wheat even further so that the farmer may realize something like a fair return for his efforts.

This Congress has voted much money to help the urban sector of our economy overcome the many perplexing problems which face it. There has been housing legislation, the antipoverty program, the area redevelopment program, aid to education, public works; all measures designed to give the people in our cities a better life.

The farmers of this Nation are also entitled to a better life, and it is for this reason that I support this farm bill, the aim of which is to bring the income of the average farm family out of the poverty category.

I am glad to be able to help the farmers. But I am doubly glad to be able to help the farmers when I do not have to worry about harming my constituents. By the passage of the Cooley amendment to H.R. 9811 we have insured that the rural population of America will receive the assistance they deserve and require,

and that the urban millions will not have to sacrifice anything as a result.

The Members of this House have today shown that they recognize that it is bad bookkeeping and worse legislating to rob Peter to pay Paul. With the passage of the Cooley amendment, and the passage of this beneficial farm bill, we have avoided that mistake and have served the best interests of the United States.

Mr. RANDALL. Mr. Chairman, H.R. 9811 is a most important measure to be considered in a session which has debated and approved many important bills. It is difficult to rank in order of importance the matters considered and the measures enacted by this 1st session of the 89th Congress. But it should be noted that if the so-called farm bill is not approved by this session of the Congress many of the other matters that have been passed could prove to be either less effective or of not much consequence.

This is a strong statement but it is not without support by the facts. The reason much of our already enacted legislation could be rendered ineffectual is that the absence of good farm legislation could be the missing ingredient needed to sustain our level of economic prosperity.

Even the severest critics of this legislation cannot find the facts to deny that we are in the 5th year of sustained economic prosperity. I am not one that carries in my pocket a lot of statistics but I submit that our present state of prosperity is one of the longest sustained periods of economic growth in our entire history. I certainly have no fear of contradiction that it is the longest era of continuous economic growth since those dark days in October of 1929 when the heavens seemed to fall in and the earth dropped out from under all of us.

This farm bill is needed as insurance that this rate of economic growth will continue. This is no time to gamble with facts or conditions of our economy. Those who argue for the price of farm products being set in the marketplace by the harsh and cruel operation of the law of supply and demand are asking that we take a gamble. In my opinion it would be an unforgivable gamble.

The most important title affecting my area is title III, which extends the voluntary feed grain program another 4 years, from 1966 to 1969. As in the past, the program will provide price-support loans, purchases, and in-kind payments to participants.

The relative noncontroversiality of this program does not mean that it is any less important to the agricultural economy. In point of fact, two-thirds of all U.S. farmers are feed grain producers, and during the last 4 years their income has increased by \$3 billion above the level under the previous program. Failure to renew the current program would lead to a drop in feed grain income of at least a billion dollars from the \$6.7 billion crop value of 1964 and the even higher estimated crop value of 1965.

Nor should we ignore the impact of the feed grain program on the consumer and the taxpayer. If the cost of the present program is compared with what a continuation of the program of the late 1950's would have cost, the ultimate cost

of the feed grain program to the Government has been reduced by over \$2 billion. In other words, feed grain income is up, while relative Government costs are down. I call that a real accomplishment for farmers and taxpayers alike.

How can we account for this state of affairs? Well, there are many reasons, but the most important of them is the reduction of costly feed grain surpluses.

When the voluntary feed grain program went into effect in 1961, we had an all-time high in feed grain carryovers of 85 million tons. This carryover was reduced to 56 million tons in 1964, a reduction of about one-third, and is expected to be reduced during this marketing year to approximately 50 million tons.

If the old program had been continued, we would have by now increased our carryovers of feed grain to about 125 million tons, or about a 47-percent increase. Instead, a savings of approximately \$2.5 billion has been secured for the taxpayer through elimination of carrying and storage charges.

Mr. Chairman, for the past 3 days H.R. 9811 has been the subject of almost continuous debate. Frequently there was an effort made by the opponents of this bill to array those representing city districts against those representing agricultural areas.

It may be that for some, the fact that their constituents may be all consumers rather than producers of agricultural products makes their decision on this bill an easy one. In my case, as Representative of the Fourth Missouri District, I am concerned with a region that has both agricultural producers and consumers in about an equal number. Maybe for this reason I have learned that there is no true basis for conflict between the farmer and the city dweller and that in truth, and in fact, instead of a conflict there is a close and irrevocable interrelationship.

Accordingly, I have grown a little tired and impatient as speakers go into the well and express their concern for what will happen to their consumers if this bill happens to become law. An equally important and pertinent question would be: "What would happen to the city dwellers if this bill should fail to be enacted."

After all, there is a close economic interrelationship between the agricultural economy and the national economy. It is a hard fact that American agriculture is the base on which rests the jobs and profits for nearly 12 million Americans and hundreds of thousands of businesses.

Agriculture is the largest single industry in the United States. When one talks about the income of American agriculture, he is indirectly talking about the income of all the city-based industries that service it. In fact, the farmer and his family spend about \$40 billion a year for goods and services, and the products of the farm make possible an \$80-billion-a-year food industry.

We still have good reason to heed the old adage that depressions are farm born and farm bred. It is not at all an exaggeration to say that when farm income goes down, so also does the income of

substantial parts of the national non-agricultural economy.

In fact, Government and independent studies alike have shown that a termination of current farm programs would lead to a more than 50-percent decrease in net annual farm income from the current level of \$13.5 billion to a low of just \$6 billion.

I submit that an agricultural recession of such proportions would have gigantic repercussions on the urban economy. Yet that might well be the net effect of defeating H.R. 9811 when we vote this evening.

It is difficult to overstate the magnitude of the urban problems that would develop if the family farm were destroyed and the rural population began streaming to the cities in even larger numbers than they are now.

In the last decade a million farm families—5 million people—have left their farms and rural towns to go to urban areas. Between 1950 and 1960, 250,000 persons left the farms in Missouri alone, depleting nearly 2 percent of her rural population.

On the one hand this migration has depleted rural America of vital human resources in the form of young people with vigor, strength, ambition, enterprise, and abilities.

On the other hand, this migration has compounded the problems of congestion, slums, transportation, crime, education, and health that plague our cities. Through lack of training and poor education, many of these people have remained unemployed after reaching the city and have swelled the relief rolls. This has resulted in no little cost to the cities and to the Federal Government.

These problems are petty when compared with the problems that would result from a real exodus to the cities from depressed agricultural communities.

Today presents an opportunity for the Members of the House who represent urban areas and suburban areas and those who represent predominantly rural areas to support a 4-year farm program that will promote increased farm income and permit a continuation of rural family life.

No matter how meritorious it may have sounded when it was uttered on the floor, all that has been said in criticism and objection to this bill is dwarfed by comparison with the importance of a healthy agricultural community in these times when so much of our energy must be directed to a successful conclusion of our task in southeast Asia.

As I stated earlier, now is no time to gamble with a change from our time-tested and experience-proven farm programs.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Govern-

ment costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, pursuant to House Resolution 512, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. DAGUE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DAGUE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DAGUE moves to recommit the bill, H.R. 9811, to the Committee on Agriculture.

Mr. COOLEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 169, nays 224, answered "present" 2, not voting 39, as follows:

[Roll No. 243]

YEAS—169

Abbitt	Duncan, Tenn.	Langen
Abernethy	Dwyer	Latta
Adair	Edwards, Ala.	Leggett
Adams	Erlenborn	Lipcomb
Anderson, Ill.	Everett	Long, La.
Arends	Fallon	Long, Md.
Ashbrook	Findley	McClary
Ayres	Fogarty	McCulloch
Baldwin	Ford, Gerald R.	McDade
Baring	Frelinghuysen	McEwen
Bates	Fulton, Pa.	McMillan
Belcher	Garmatz	MacGregor
Bell	Gathings	Machen
Bennett	Glaimo	Mahon
Betts	Gibbons	Mailliard
Bolton	Goodell	Marsh
Bow	Grabowski	Martin, Ala.
Bray	Green, Oreg.	Martin, Nebr.
Brock	Griffin	Mathias
Broyhill, Va.	Gross	May
Buchanan	Grover	Monagan
Burton, Utah	Gubser	Moore
Byrnes, Wis.	Gurney	Morris
Cameron	Haley	Morse
Carey	Hall	Morton
Cederberg	Halleck	Mosher
Chamberlain	Halpern	Nedzi
Clancy	Hanley	Nelsen
Clausen,	Hansen, Idaho	O'Konski
Don H.	Hardy	Ottenger
Clawson, Del.	Harsha	Passman
Cleveland	Harvey, Ind.	Pelly
Cohelan	Harvey, Mich.	Pike
Collier	Hébert	Pirnie
Colmer	Hechler	Poff
Conable	Herlong	Quie
Conte	Horton	Quillen
Corbett	Hosmer	Reid, Ill.
Cramer	Hutchinson	Reid, N.Y.
Cunningham	Irwin	Rhodes, Ariz.
Curtin	Jacobs	Robison
Dague	Jarman	Rogers, Fla.
Davis, Wis.	Johnson, Calif.	Roudebush
Derwinski	Jones, Mo.	Rumsfeld
Devine	Keith	Satterfield
Dickinson	Kunkel	St Germain
Downing	Laird	Saylor

Schneebell
Schweiker
Selden
Semmer
Shipley
Slack
Smith, Calif.
Smith, N.Y.
Smith, Va.
Springer

Stafford
Staggers
Stanton
Stratton
Talcott
Teague, Calif.
Thomson, Wis.
Todd
Waggonner
Walker, Miss.

Walker, N. Mex.
Watkins
Whalley
Whitten
Widnall
Williams
Wolff
Wyatt
Wydler

NAYS—224

Addabbo
Albert
Anderson, Tenn.
Andrews, Glenn
Andrews, N. Dak.
Annunzio
Ashley
Ashmore
Aspinall
Bandstra
Barrett
Battin
Beckworth
Berry
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brooks
Broyhill, N.C.
Burke
Burleson
Burton, Calif.
Byrne, Pa.
Cabell
Callan
Callaway
Casey
Chelf
Chelf
Clark
Clevenger
Conyers
Cooley
Craley
Culver
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Dent
Denton
Diggs
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Duncan, Oreg.
Dyal
Edmondson
Edwards, Calif.
Ellsworth
Evans, Colo.
Evins, Tenn.
Farbstein
Farnsley
Farnum
Fascell
Feighan
Fisher
Flood
Flynt
Foley
Ford
William D.
Fountain
Fraser
Friedel

Fulton, Tenn.
Gallagher
Gettys
Gilbert
Gilligan
Gonzalez
Gray
Green, Pa.
Greigg
Grider
Hagan, Ga.
Hagen, Calif.
Hamilton
Hansen, Iowa
Hansen, Wash.
Harris
Hathaway
Hawkins
Hays
Helstoski
Henderson
Hicks
Holifield
Howard
Hull
Hungate
Huot
Ichord
Jennings
Joelson
Johnson, Okla.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kee
Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Krebs
Landrum
Lennon
Love
McCarthy
McDowell
McFall
McGrath
McVicker
Macdonald
Mackay
Mackie
Madden
Matthews
Meeds
Mills
Minish
Mink
Mize
Moeller
Morgan
Morrison
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher

O'Neill, Mass.
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Poage
Pool
Powell
Price
Pucinski
Purcell
Race
Randall
Redlin
Reifel
Resnick
Reuss
Rhodes, Pa.
Rivers, S.C.
Rivers, Alaska
Roberts
Rodino
Rogers, Colo.
Rogers, Tex.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Roush
St. Onge
Scheuer
Schisler
Schmidhauser
Secrest
Shriver
Sickles
Sisk
Skubitz
Smith, Iowa
Stalbaum
Steed
Stephens
Stubblefield
Sullivan
Sweeney
Taylor
Teague, Tex.
Tenzer
Thompson, Tex.
Trimble
Tuck
Tunney
Tupper
Tuten
Udall
Ullman
Van Deerlin
Vigorito
Watson
Watts
Weltner
White, Idaho
Whitener
Willis
Wilson, Charles H.
Yates
Young
Zablocki

ANSWERED "PRESENT"—2

Corman Michel

NOT VOTING—39

Andrews, George W.
Bonner
Broomfield
Brown, Calif.
Brown, Ohio
Cahill
Carter
Curtis
Dulski
Fino
Fuqua
Griffiths
Hanna
Holland
Johnson, Pa.
Jonas
King, N.Y.
Kornegay
Lindsay
Martin, Mass.
Matsunaga
Miller
Minshall
Moorhead
Reinecke
Rostenkowski
Roybal
Ryan
Scott
Sikes
Thomas
Thompson, N.J.
Toll
Utt
Vivian
Wilson, Bob
Wright
Younger

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Michel for, with Mr. Rostenkowski against.

Mr. Corman for, with Mr. Miller against.

Mr. Broomfield for, with Mr. Sikes against.

Mr. Minshall for, with Mr. Jonas against.

Mr. Fino for, with Mr. Martin of Massachusetts against.

Mr. Johnson of Pennsylvania for, with Mr. Kornegay against.

Mr. Brown of Ohio for, with Mr. Thomas against.

Mr. King of New York for, with Mr. Thompson of New Jersey against.

Mr. Reinecke for, with Mr. Carter against.

Mr. Utt for, with Mr. Scott against.

Mr. Lindsay for, with Mr. Roybal against.

Mr. Curtis for, with Mr. Bonner against.

Mr. Bob Wilson for, with Mr. Brown of California against.

Mr. Younger for, with Mr. Moorhead against.

Mr. Dulski for, with Mr. Matsunaga against.

Until further notice:

Mr. Holland with Mr. Fuqua.

Mrs. Griffiths with Mr. Wright.

Mr. Andrews of Alabama with Mr. Hanna.

Mr. Ryan with Mr. Vivian.

Mr. CORMAN. Mr. Speaker, I have a live pair with the gentleman from California [Mr. MILLER]. If he were present he would have voted "no." I withdraw my vote and vote "present."

Mr. MICHEL. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. ROSTENKOWSKI]. If he were present he would have voted "no." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 221, nays 172, answered "present" 3, not voting 37, as follows:

[Roll No. 244]

YEAS—221

Adams
Albert
Anderson, Tenn.
Andrews, Glenn
Andrews, N. Dak.
Annunzio
Ashley
Ashmore
Aspinall
Bandstra
Barrett
Battin
Beckworth
Berry
Bingham
Blatnik
Boggs
Boland
Bolling
Brademas
Brooks
Broyhill, N.C.
Burke
Burleson
Burton, Calif.
Byrne, Pa.
Cabell
Callan
Callaway
Casey
Celler

Chelf
Clark
Clevenger
Conyers
Cooley
Craley
Culver
Daddario
Daniels
Davis, Ga.
Dawson
de la Garza
Delaney
Denton
Diggs
Dingell
Dole
Donohue
Dorn
Dow
Dowdy
Duncan, Oreg.
Dyal
Edmondson
Edwards, Calif.
Ellsworth
Evans, Colo.
Evans, Tenn.
Farbstein
Farnsley
Fascell
Fisher
Flood
Flynt

Foley
Ford, William D.
Fountain
Fraser
Friedel
Fulton, Tenn.
Gallagher
Gettys
Gilbert
Gilligan
Gonzalez
Green, Pa.
Greigg
Grider
Hagan, Ga.
Hagen, Calif.
Hamilton
Hansen, Iowa
Hansen, Wash.
Hathaway
Hawkins
Hays
Helstoski
Henderson
Hicks
Holifield
Howard
Hull
Hungate
Huot
Ichord
Joelson
Johnson, Okla.

Jones, Mo.
Jones, Ala.
Karsten
Karth
Kastenmeier
Kee
Keith
Kelly
Keogh
King, Calif.
King, Utah
Kirwan
Kluczynski
Krebs
Landrum
Langen
Lennon
Love
McDowell
McFall
McGrath
McMillan
McVicker
MacGregor
Mackay
Mackie
Madden
Matthews
Meeds
Minish
Mink
Mize
Moeller
Morgan
Morrison
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher

Nelsen
Nix
O'Brien
O'Hara, Ill.
O'Hara, Mich.
Olsen, Mont.
Olson, Minn.
O'Neal, Ga.
O'Neill, Mass.
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Poage
Pool
Powell
Price
Purcell
Quie
Race
Randall
Redlin
Reifel
Resnick
Reuss
Rhodes, Pa.
Rivers, S.C.
Rivers, Alaska
Roberts
Rodino
Rogers, Colo.
Rogers, Tex.
Ronan
Roncalio
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Roush

NAYS—172

Abbitt
Abernethy
Adair
Addabbo
Anderson, Ill.
Arends
Ashbrook
Ayres
Baldwin
Baring
Bates
Belcher
Bell
Bennett
Betts
Bolton
Bow
Bray
Brock
Broyhill, Va.
Buchanan
Burton, Utah
Byrnes, Wis.
Cameron
Carey
Cederberg
Chamberlain
Clancy
Clausen,
Don H.
Clawson, Del.
Cleveland
Cohelan
Collier
Colmer
Conable
Conte
Corbett
Cramer
Cunningham
Curtin
Dague
Davis, Wis.
Dent
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
Dwyer
Edwards, Ala.
Erlenborn
Everett
Fallon
Farnum
Feighan
Findley
Fogarty

Ford, Gerald R.
Frelinghuysen
Fulton, Pa.
Garmatz
Gathings
Gialmo
Gibbons
Goodell
Grabowski
Gray
Green, Oreg.
Griffin
Gross
Grover
Gubser
Gurney
Haley
Hall
Halleck
Halpern
Hanley
Hansen, Idaho
Hardy
Harris
Harsha
Harvey, Mich.
Harvey, Ind.
Hébert
Hechler
Herlong
Horton
Hosmer
Hutchinson
Irwin
Jacobs
Jarman
Jennings
Johnson, Calif.
Kunkel
Laird
Latta
Leggett
Lipscomb
Long, La.
Long, Md.
McCarthy
McClory
McCulloch
McDade
McEwen
Macdonald
Mahon
Mailliard
Marsh
Martin, Ala.
Martin, Nebr.
Mathias

ANSWERED "PRESENT"—3

Corman Michel O'Konski

St. Onge
Scheuer
Schisler
Schmidhauser
Secrest
Semmer
Shriver
Sickles
Sisk
Skubitz
Smith, Iowa
Stalbaum
Steed
Stephens
Stubblefield
Sullivan
Sweeney
Taylor
Teague, Tex.
Tenzer
Thompson, Tex.
Todd
Trimble
Tuck
Tunney
Tupper
Tuten
Udall
Ullman
Van Deerlin
Vigorito
Vivian
Walker, N. Mex.
Watson
Watts
Weltner
White, Idaho
Whitener
Willis
Yates
Young

May
Mills
Monagan
Moore
Morris
Morse
Morton
Mosher
Nedzi
Ottinger
Passman
Pelly
Pike
Pirnie
Poff
Pucinski
Quillen
Reid, Ill.
Reid, N.Y.
Rhodes, Ariz.
Robison
Rogers, Fla.
Roudebush
Rumsfeld
Satterfield
St Germain
Saylor
Schneebell
Schweiker
Selden
Shipley
Slack
Smith, Calif.
Smith, N.Y.
Smith, Va.
Springer
Stafford
Staggers
Stanton
Stratton
Talcott
Teague, Calif.
Thomson, Wis.
Vanik
Waggonner
Walker, Miss.
Watkins
Whalley
Whitten
Widnall
Williams
Wilson,
Charles H.
Wolff
Wyatt
Wydler
Zablocki

NOT VOTING—37

Andrews,	Hanna	Rostenkowski
George W.	Holland	Roybal
Bonner	Johnson, Pa.	Ryan
Broomfield	Jonas	Scott
Brown, Calif.	King, N.Y.	Sikes
Brown, Ohio	Kornegay	Thomas
Cahill	Lindsay	Thompson, N.J.
Carter	Martin, Mass.	Toll
Curtis	Matsunaga	Utt
Dulski	Miller	Wilson, Bob
Fino	Minshall	Wright
Fuqua	Moorhead	Younger
Griffiths	Reinecke	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rostenkowski for, with Mr. Michel against.
 Mr. Miller for, with Mr. Corman against.
 Mr. Jonas for, with Mr. Roybal against.
 Mr. Carter for, with Mr. Broomfield against.
 Mr. Martin of Massachusetts for, with Mr. Younger against.
 Mr. Toll for, with Mr. Minshall against.
 Mr. Sikes for, with Mr. Bob Wilson against.
 Mrs. Griffiths for, with Mr. Johnson of Pennsylvania against.
 Mr. Brown of California for, with Mr. Reinecke against.
 Mr. Scott for, with Mr. Brown of Ohio against.
 Mr. Kornegay for, with Mr. King of New York against.
 Mr. Bonner for, with Mr. Utt against.
 Mr. Thomas for, with Mr. Fino against.
 Mr. Thompson of New Jersey for, with Mr. Lindsay against.
 Mr. Moorhead for, with Mr. Curtis against.
 Mr. Matsunaga for, with Mr. Dulski against.

Until further notice:

Mr. Fuqua with Mr. Wright.
 Mr. Holland with Mr. Ryan.
 Mr. George W. Andrews with Mr. Hanna.

Mr. CORMAN. Mr. Speaker, I have a live pair with the gentleman from

California [Mr. MILLER]. I voted "nay." If he were present he would have voted "yea." I therefore withdraw my vote and vote "present."

Mr. MICHEL. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. ROSTENKOWSKI]. I voted "nay." If he were present he would have voted "yea." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CLERICAL CORRECTIONS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Clerks may make necessary clerical corrections, including punctuation, in the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESULTS OF 1965 QUESTIONNAIRE COMPILED

(Mr. ROGERS of Florida asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS of Florida. Mr. Speaker, the results of my 1965 annual questionnaire have been compiled. This poll, which is conducted in the Sixth Congressional District of Florida each year, received over 56,000 answers this year, the largest number of replies in the 11 years I have served in the Congress.

I feel that the views expressed in this questionnaire are indicative of the views of many Americans in other parts of the Nation. For one reason, the State of Florida, and particularly the Sixth District located in the southern portion of the State, has undergone tremendous growth in recent years. Between the 1950 and 1960 census counts Florida population increased almost 79 percent. By 1965 the State's population had swelled an additional 15.2 percent. By comparison, the Sixth District grew 170 percent between the 1950 and 1960 censuses. By 1964, the census estimates showed an additional 22-percent growth in the district.

Where did these new Floridians come from? Of the total new Floridians, who numbered 2,618,094 between 1955 and 1960, 717,038 came from other Southern States and the Middle Atlantic States. A total of 369,644 new Floridians came from the Northeastern United States. The number from North Central America came to 308,530.

Thus, the views expressed in the 1965 annual questionnaire do not reflect any sectional feeling, but are more reflective of the opinions held in many other parts of the Nation. In addition there are many vacationers who visit Florida each year, exposing Floridians to many points of view.

Mr. Speaker, I insert the questionnaire results in the RECORD at this point:

Question	Percent answering "Yes"	Percent answering "No"	Percent undecided
1. Are you in favor of a Government-supported medical care plan for the aged?	58.9	34.6	6.5
If you answer to the above question was "Yes," please answer one of the following:	53.7		
(1-a) Do you favor "medicare" financed by social security taxes?	39.6		
(1-b) Do you favor "elder care" financed by matching Federal-State taxes?	71.7	21.3	7
2. Do you approve a reduction in excise taxes this year?	86	9.7	4.3
3. Should foreign aid be cut?	25.4	67	7.6
4. Do you favor repeal of sec. 14(b) of the Taft-Hartley Act, which now permits the States to have right-to-work laws?	49.2	45.1	5.7
5. Do you approve increased Federal aid to education?	88.9	9.4	1.7
6. Do you favor my bill to raise the "outside income" limitation from \$1,200 to \$2,400 for those drawing social security benefits?	55.5	26.9	7.6
7. Do you support United States military activity in Vietnam?			

LYNDON BAINES JOHNSON PRESIDENTIAL ARCHIVAL DEPOSITORY

(Mr. BROOKS asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, the President of the United States has received an offer from the University of Texas to provide—at its own expense—an appropriate presidential archival depository for the housing, preservation, displaying, and appropriate use of President Lyndon Johnson's papers and other historic materials.

The proposed grounds and building would be turned over to the United

States for use in perpetuity pursuant to section 507(f) (1) of the Federal Property and Administrative Services Act of 1949, as amended (44 U.S.C. 397(f)).

The university board of regents—headed by W. W. Heath, chairman, and which includes our distinguished former colleague, the Honorable Frank Ikard—shares the conviction of leading historians that the papers of a President of the United States constitute a vital part of our Nation's heritage. They understand full well that the fullness of our Nation's understanding of our heritage depends in large measure upon the comprehensiveness and accessibility of presidential materials.

I am informed that the University of

Texas also intends to establish a school to be known as the Lyndon Baines Johnson Institute of Public Affairs.

The proposed presidential library would be located on the campus of the university.

President Johnson, the University of Texas, and the Administrator of the General Services Administration all are ready to move ahead to bring this unique national educational asset into being. The President has accepted the university's offer and the proper presentation to the Congress has been made by the GSA Administrator.

Mr. Speaker, it is timely that the Congress move forward as expeditiously as possible on this proposal. President Truman requested that his papers be de-

posited in the Truman Library before leaving office. The official designation of the Eisenhower Presidential Library as an archival depository was made while President Eisenhower occupied the White House. In November 1961 President Kennedy announced plans for the Presidential Library in Cambridge, Mass.

In the proposal before the Congress, Mr. Speaker, we have an unusual situation.

As we know, the applicable law requires that such a proposal lie before the Congress for 60 days of continuous session before it can be undertaken. However, it is most likely that Congress will recess this year before the necessary 60 days of continuous session have expired. This means in all probability that this meritorious project could not get underway until late next spring at the very earliest. This would be a meaningless delay of an undertaking unquestionably in the public interest.

The necessary congressional review of this proposal can be as effectively obtained through expeditious consideration of this resolution, and I firmly believe that it is incumbent upon the Congress to act now so that the Johnson Presidential Library can become a reality as quickly as possible.

Accordingly, Mr. Speaker, I have introduced a joint resolution to waive in this instance the 60-day waiting period and enable the early start of this historic project:

H.J. RES 632

Resolution to authorize the Administrator of General Services to enter into an agreement with the University of Texas for the Lyndon Baines Johnson Presidential Archival Depository, and for other purposes

Resolved, That the Administrator of General Services is hereby authorized to enter into an agreement upon such terms and conditions as he determines proper with the University of Texas to utilize as the Lyndon Baines Johnson Archival Depository, land, buildings, and equipment of such University to be made available by it without transfer of title to the United States, and to maintain, operate and protect such depository as a part of the National Archives System. Such agreement may be entered into without regard to the provisions of section 507(f) (1) of the Federal Property and Administrative Services Act of 1949, as amended (44 U.S.C. 397(f) (1)), that the Administrator shall not enter into any such agreement until the expiration of the first period of sixty (60) calendar days of continuous session of the Congress following the date on which a report in writing of any such proposed Presidential Archival Depository is transmitted by the Administrator to the President of the Senate and the Speaker of the House of Representatives.

YOUTH TAKES OVER NATION'S OLDEST DAILY COMMUNITY NEWSPAPER

(Mr. O'HARA of Illinois asked and was given permission to address the House for 1 minute; to revise and extend his remarks and to include extraneous matter.)

Mr. O'HARA of Illinois. Mr. Speaker, it is a matter of interest to the people of the district that I have the honor to represent, and I think to many of my colleagues, that the sons of two fathers

of national prominence in the newspaper and magazine business have purchased a controlling interest in the Calumet Publishing Co., publishers of the Chicago Daily Calumet and six weekly community newspapers.

The Daily Calumet is 84 years old and is in fact the oldest community daily of the Nation. At one time it was edited by the late Honorable William A. Rowan, who represented the Second District of Illinois with outstanding distinction in the 78th and 79th Congresses.

James A. Linen IV, 27, will be elected president and publisher at the October board meeting and Jameson G. Campaigne, Jr., 25, will be named editor in chief. In addition, Norris J. Nelson, presently president and publisher, will be elected board chairman.

Linen is leaving a position as management trainee with the newspaper division of Field Enterprises, Inc., publishers of the Sun-Times and the Daily News. Campaigne has been assistant to the circulation director of the two papers.

Linen, a Yale University graduate, is the son of James A. Linen III, president of Time Inc., Life, Fortune, and Sports Illustrated. Young Linen is also the nephew of Gov. William W. Scranton of Pennsylvania.

Campaigne is the son of the editor of the Indianapolis Star and is a graduate of Williams College.

The Daily Calumet covers the Calumet Harbor region of southeast Chicago. With the development of Lake Calumet as the world's greatest inland port the future of the region and of its 84-year-old daily newspaper would seem brilliantly assured.

NATIONAL DRUM CORPS WEEK

(Mr. RHODES of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RHODES of Pennsylvania. Mr. Speaker, August 15-22 is National Drum Corps Week. Throughout the country drum corps activity has grown in stature and size so that over a million teenagers are now involved in this activity. Today when we hear so much about juvenile delinquency, it is heartening to recognize the definite contribution the drum corps of today are making to our society. They offer the youth of our country a character building and wholesome activity. I'm sure my colleagues will join with me in a tribute to the many thousands of adults who offer freely of their time and talents to supervise and train these youngsters. I would like to pay a special tribute to the Reading Buccaneers of VFW Post 179 in Reading, Pa. Winning drum corps championships has become a habit for these youngsters. In addition to winning a number of national VFW championships, they have been winners of international competition in Canada. Although I am especially proud of these youngsters, since I have the honor of representing the Sixth District of Pennsylvania, I am equally proud of the tremendous work that the National Drum and Bugle Corps Association is doing throughout America. I am sure my

colleagues will join with me in wishing this fine organization continued growth and success.

COLD WAR VETERANS' READJUSTMENT ASSISTANCE ACT

(Mr. McCARTHY asked and was given permission to address the House for 1 minute; to revise and to extend his remarks and to include extraneous matter.)

Mr. McCARTHY. Mr. Speaker, today, by introducing the bill known as the Cold War Veterans' Readjustment Assistance Act, I would like to add my support to those of my colleagues who have recognized the need to remedy an inequity that has been allowed to persist for a decade.

Our Nation has found it necessary—both in times of war and in times of peace—to call upon our young men to serve in the Armed Forces and do their part to help maintain our national strength and security. All of them have made a vital contribution to the welfare of this Nation, for which we should all be thankful.

There can be no doubt that the greatest service has been performed by those who were actually required to take up arms during wartime—at great personal risk—in defense of their country. But in the years since World War II and Korea, we have learned that conflict and uncertainty are ever present in the world. We have had to keep up our defenses, and we have had to meet constant crises with resolution. We have learned that even a cold war can be scorching.

The sacrifices made by the men in our Armed Forces during these cold war years have also been enormous. Service in uniform—whether or not our country is at war—represents time that could instead be used in furthering an education or in gaining valuable occupational experience or training.

When we provided returning veterans from World War II and Korea with the GI bill, we recognized the sacrifices made by these men and their need for assistance in readjusting to civilian life. We showed them our gratitude for their service by supplying them with benefits that would help them make up for lost time—educational and vocational training assistance and guarantee and direct loan assistance.

We certainly owe this same debt of gratitude to those who have protected us during the cold war. We cannot allow years spent in service to the United States to be a handicap to veterans wishing to make a better life for themselves and their families. This bill would give them the chance to improve their occupational ability and therefore their earning potential.

There is another important reason why these men deserve our assistance through a cold war GI bill. Very often they start from a less advantaged position than do those who never enter the service. This is because students receive deferments under our draft laws and it is far more likely that a poor boy will never graduate from high school or not go on to college than a more for-

Foreign Affairs hold immediate hearings on this ill-advised pact. Although it is not within the jurisdiction of this body of Congress to ratify or reject the treaty, yet in view of Senator FULBRIGHT's arbitrary denial of hearing expert public witnesses and other Government witnesses, such as our Director of the Federal Bureau of Investigation, J. Edgar Hoover, it is our moral obligation both as Representatives of the people and citizens of this republic to afford at least the opportunity for a fair, honest, and open public examination of this dangerous and contradictory pact.

On August 8 I wrote to the distinguished chairman of the House Foreign Affairs Committee, Dr. Thomas E. Morgan, asking for possible committee consideration. This afternoon I have again communicated with Dr. Morgan, hoping that in view of the grave questions involved, the growing public anxiety, and the lack of Senate scrutiny, the Foreign Affairs Committee will study the matter.

Anyone who has taken the trouble to read the Senate Foreign Relations Committee publication on the "Consular Convention With the Soviet Union," consisting of a single hearing with Secretary of State Dean Rusk and his aids, cannot but be impressed by both the rigged character of the hearing and the confused notions surrounding the pact. For example, on page 2 the chairman replies to a member of the committee that it "would have to vote on it after we have committee hearings." As though to confirm Senator Hickenlooper's obvious suspicion, only one hearing was held, involving only the Department of State, and not hearings, affording those who are opposed to the treaty the freedom of open, critical discussion.

As to confusion of thought on this treaty, on page 3 there is a caption "Consular Convention with Russia." The title of the pamphlet and the actual treaty in substance accurately refer to the "Consular Convention with the Soviet Union." As many of our university graduate students in East European studies now know, Russia and the Soviet Union are not synonymous. Is this treaty with Russia or is it with the U.S.S.R.? Logically and historically it cannot be with both. Yet we have the spectacle here, bearing the imprint of one of our highest legislative committees, fallaciously confusing the two, which in many a graduate school would rate a zero.

Mr. Speaker, many other examples of lack of understanding and confused thought regarding this treaty may be cited. To prevent a blind ratification of this pact by our sister body, I urge the leadership of this Chamber to call for immediate, open and public hearings on the treaty by our Foreign Affairs Committee, inviting Mr. Hoover and private citizens to testify. In our democratic framework this is the least that our citizens can expect—an open, frank, and critical discussion of a seemingly innocuous pact.

To demonstrate the conflict of views on this issue, which in all fairness should be given a thoroughly legislative airing, I request that the following items be appended to my remarks: First, the Au-

gust 13 editorial on "Normal Relations" in the Richmond News Leader; second, the August 6 Washington Post editorial on the "Consular Convention" and the full and unedited reply to it by Dr. Lev E. Dobriansky, professor of Georgetown University and president of the Ukrainian Congress Committee of America; and third, the Washington Post's edited publication of this reply in its August 16 issue, which speaks for itself:

[From the Richmond (Va.) News Leader, Aug. 13, 1965]

NORMAL RELATIONS

Details are now at hand concerning the swift railroad job, with Senator FULBRIGHT as chief engineer, which was done to get the Soviet Consular Treaty out of the Senate Foreign Relations Committee some days ago. Readers doubtless will remember that this proposal came forth with some fanfare early in 1964. Its purpose was to enable the Soviet Union to establish consulates in various parts of the United States and to let the United States set up consulates in the Soviet Union.

When the deal got a brusque public reaction, it went immediately into the deep freeze. This treaty was definitely controversial. Controversial subjects are not discussed in election years. Nineteen hundred and sixty-four was an election year. End of debate on the consular treaty.

One can nod smilingly at sharp politics, but one cannot nod at the suppression of the public discussion that ought to go with important congressional deliberation. If 1964 was a bad year to discuss getting cozy with the Soviets, 1965 is worse. Khrushchev is gone: the committee government of the Kremlin is edgy. Soviet relations are in a far more dangerous state: American planes are being shot down by the Soviet missiles in Vietnam. So is there a full-dress hearing on the admittedly controversial treaty? Does FULBRIGHT dare?

The consular treaty has long been in seeming repose. Late last month the usual hints leaked out: The proposal was being revived even though Soviet antagonism was at its height. The scholarly and jovial chairman of the Captive Nations Committee, Prof. Lev Dobriansky, wrote to the Senate Foreign Relations Committee as just one witness who wanted to testify at public hearings. Dr. Dobriansky is a specialist in Soviet affairs who is frequently called upon as an expert witness in legislative hearings. He was informed by an aid to the Foreign Relations Committee that it was not known whether outside witnesses would be called.

On July 30, the only hearing was held. The sole witness was Secretary of State Dean Rusk, with his legal adviser. An August 2, Dr. Dobriansky wrote to Senator FULBRIGHT to urge open hearings. But the next day, the committee in executive session reported the treaty out on a voice vote. Senator BOURKE HICKENLOOPER was the only dissenter present; Senator FRANK LAUSCHE, another opponent, was not there. Thus after listening only to the viewpoint of the administration, the controversial treaty went to the Senate floor.

Among the arguments that Senator FULBRIGHT did not want to hear—or did not want the American people to hear—were these:

J. Edgar Hoover's recent testimony that Soviet consulates would broaden Soviet espionage and make security more difficult.

The precedent-shattering grant of diplomatic immunity to consular officers.

The difficulty that Latin American nations will face in rejecting Soviet consulates after the United States has accepted.

The impracticality of trade with a nation that does not respect copyright or patent agreements.

The failure to obtain concessions for the

property rights of American citizens who are former nationals of the Soviet states.

De facto recognition of the incorporation of Lithuania, Latvia, and Estonia into the Soviet empire.

None of these arguments was heard. Instead, the only arguments were those of Dean Rusk, who hoped that the agreement would help normalize relations. What is needed is an agreement to normalize the Foreign Relations Committee.

[From the Washington (D.C.) Post, Aug. 6, 1965]

CONSULAR CONVENTION

The Senate Foreign Relations Committee has done well in reporting out at last the consular convention with the Soviet Union which will so clearly benefit the United States. The committee acted on a voice vote with only one dissenting Member—Senator HICKENLOOPER.

Senators LAUSCHE and MUNDT, who were absent, may oppose the treaty when it goes before the full Senate but it probably will be and it certainly ought to be approved.

It provides for consular protection and services for businessmen, tourists and other nationals of one country while in the other. It opens the way for reestablishing consulates which have been closed since the outbreak of the cold war. With or without the consulates, the Soviet Union has a ready enough access to our open society, but the privilege of having consulates in various additional places in the Soviet Union is a matter of great advantage to this country.

Both President Johnson and Secretary of State Rusk have vigorously endorsed the consular convention since it first was agreed to at the end of May last year. The committee has taken its time in acting and it is to be hoped that the Senate will promptly approve it and send it to the White House.

AUGUST 6, 1965.

To the EDITOR OF THE WASHINGTON POST:

Your August 6 editorial on the consular convention contains, as usual, a mixture of truth and fiction. It is true that the Senate Foreign Relations Committee has reported this treaty out, but you fail to inform your readers how it was railroaded through the committee without fair and open public hearings. Also, your statement that the "committee has taken its time in acting" is a grossly misleading half-truth. You know as well as I do that Senator FULBRIGHT simply sat on the pact since June 1964, calling for hearings and then postponing them, and finally, in the most undemocratic manner railroad it through committee for a blind ratification by the Senate.

There is no question but that the advocates of this harmful treaty, who are eager to appease the Russian imperio-colonialists at any price, have feared right along fair and open public hearings on the Second Treaty of Moscow. A considered and full exposure of its contents would lead to its rejection by the Senate. The statement I addressed to Senator FULBRIGHT in my letter of August 4, I also address to you: "Those who speak piously and loudly about extremists and the constant need for open and critical, democratic discussion of our foreign policy might well, in the quiet of their conscience, reflect on the crass discrepancies between their words and their deeds." If any extremist action was ever taken on any treaty or piece of legislation, this certainly is it. And your comments seem to support such action.

The last-minute maneuver of having Secretary Rusk testify on this ill-written and Moscow-oriented pact does not satisfy the demand of moral responsibility for fair and open public hearings. Moreover, as I pointed out to Senator FULBRIGHT and can easily prove, by "virtue of his antiquated and mis-

hundreds of priests, ministers and laymen still in jail.

Fourth. A restoration of the administrative independence of the former Hungarian Bolyai University from the Rumanian Babes University, and the same procedure to be applied to the Pharmaceutical-Medical College at Marosvasarhely—Turgu Mures. Restoration whenever possible of the administrative independence of Hungarian high schools and grade schools, and in any case expansion of the Hungarian sections in the existing ones.

Fifth. Creation of a statewide Hungarian cultural federation which exists even in other Communist countries, the creation of a separate writers' union and actors' academy and opening to the public of the Hungarian libraries and folk art museums at Kolozsvár—Cluj, Marosvasarhely—Turgu Mures, and Nagyenyed—Aiud.

Sixth. Permission to use the Hungarian language in speech and writing in Hungarian-inhabited areas in public and in official documents.

Seventh. Reattachment of the districts of Haromszek—Trei Scaune—to the Hungarian Autonomous Province and the restoration of the original boundaries—1953-61—of the same.

Eighth. More proportionate employment of Hungarians in local administrative offices, including the police.

Ninth. Guarantee of the freedom of attending the churches and synagogues and promotion of the education of those who want to enter priesthood or ministry. Restoration of the full freedom of Aron Marton, bishop of Gyulafehervar—Alba Julia—and filling the vacant sees.

THE EISENHOWER DEMURRER

(Mr. GOODELL (at the request of Mr. WATSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GOODELL. Mr. Speaker, I believe the permanent RECORD of the Congress should include a very significant and intelligent editorial which appeared in the New York Times today. Therefore, under unanimous consent, I include the following entitled, "The Eisenhower Demurrer":

THE EISENHOWER DEMURRER

The battle on Van Tuong Peninsula makes evident the extent to which American troops are now directly engaged in combat in South Vietnam. In these circumstances the question of how the United States got into this land war in Asia takes on political as well as historical interest.

Both were involved in the remarks of former President Eisenhower, who conferred with Republican congressional leaders, then demurred from President Johnson's frequent suggestion that the current military involvement in Vietnam is the consequence of a Republican commitment given in 1954. The fact that the Korean war became a critical domestic political issue in 1952 is in all minds.

General Eisenhower emphasized his belief that "the Communists must be stopped in Vietnam." But he said that his October 1954 letter to President Ngo Dinh Diem, often quoted by President Johnson, was a pledge of foreign aid, not military involvement. And he stressed that he never made a uni-

lateral military commitment to South Vietnam, only a multilateral engagement through the Southeast Asia Treaty Organization. Both points are well taken.

It was a unilateral decision by President Kennedy in 1961—not a SEATO decision—that launched the program of massive American military assistance to South Vietnam. Most Asians and most American allies in Europe have always had deep reservations about it. This undoubtedly will continue to be one of the heaviest mortgages on American policy in southeast Asia and it would be unwise to ignore it.

The shift from military assistance and combat advice to direct participation by American combat troops in the Vietnamese war has again been a unilateral American decision, this time by President Johnson. Not only was congressional debate avoided, but there were repeated denials that such a decision had been made. Indeed, the whole effort was to make it appear that nothing had changed in American policy since 1954.

The American predicament in Vietnam is likely to deepen long before it is eased. American casualties are certain to mount. Solutions are complicated by a colonial heritage not of American making, but of which Americans unfortunately may become the heirs as their military numbers grow on Asian soil and as their firepower, unavoidably, takes a toll of civilians as well as guerrillas.

The military decisions of the past closed out diplomatic options that then were open. This is what must be avoided in the future. Difficult decisions that lie immediately ahead may become even more difficult politically when warfare gives way to negotiation, as one day it must. It is essential that the country be clear at every stage where it is being led and why. If this has not always been the case in the past, it is all the more reason for straightforwardness to be the rule now.

OMNIBUS FARM BILL

(Mr. MOORE (at the request of Mr. WATSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MOORE. Mr. Speaker, I would like the Members of this body to know that I firmly oppose H.R. 9811, the omnibus farm bill. The very fact that it is an omnibus bill disturbs me. Each of the programs contained in this legislation calls for the commitment of millions of dollars, and I therefore believe that each should be closely examined by the House. Without a separate look at each program, how on earth can we ever attempt to separate, so to speak, the "wheat from the chaff"? This bill means higher feed grain costs to 19,000 poultry farmers and 16,000 milk cow farmers in West Virginia.

H.R. 9811 proposes an extension of existing subsidy programs which we all know have failed miserably in the past, and the establishment of new programs that will necessarily result in the spending of billions of dollars in the next 4 years. I agree that some of the Department of Agriculture's programs have been necessary and successful. The expenditures for the many commodity programs however have been neither necessary nor have they been successful in improving the income of our Nation's farmers. Meanwhile, the cost of our commodity programs has increased tremendously since 1960. The 1964 rice

program is up \$12.4 million; wheat is up \$48.1 million; the feed grain program is up \$554.3 million; the cotton program is up \$304.4 million; and the peanut program is up \$15.3 million. But even with this substantial contribution by the U.S. taxpayer, the net farm income is up only \$900 million over 1960.

Obviously these programs are deficient if the Federal Government has to spend \$2 billion to increase farm income by only \$900 million.

Farm income is no greater now than it was 7 years ago. And today, under the proposed legislation before us, in addition to the proven failure of the current commodity programs, cotton is to be included on the list of programs dependent on direct Government payments. This bill proposes to reduce cotton acreage by cash payments to farmers who cut back their present acreage from 15 to 35 percent. We all know that it does not follow that production will necessarily decrease merely because of a reduction in acreage. On the contrary, experience proves that production will actually increase.

Another inconsistency which bothers me is the fact that while H.R. 9811 is supposed to persuade cotton farmers to cut production, it is apparently at the same time allowing any cotton grower the opportunity to produce all the cotton he wants, without any risk of penalties and of course without subsidy.

If this measure is defeated, most of the commodities included will be covered by existing programs which, although not really effective either, are still preferable in my opinion to the proposed costly programs under this bill. Of course if I could have my way, there simply would be no Government subsidies at all in American agriculture. I frankly believe that the agricultural community must move back to its original free enterprise position. It must go back to the market-price system rather than attempting to operate under the current governmental price-fixing setup.

As I said previously, there have been a few USDA programs which have been successful, and this is why I was in favor of the ASC program. But on the whole, these farm subsidies have not accomplished anything for the small farmer. And, may I assure you that the small farmer, particularly in the State of West Virginia, is who I am most concerned about. Accordingly, since H.R. 9811 merely calls for a status quo in the agricultural situation in this country and there seems to be no suggestion of a substantial improvement nor even an attempt to solve the farm problems, I cannot and will not support the bill.

CONSULAR CONVENTION WITH THE U.S.S.R.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. DERWINSKI] is recognized for 15 minutes.

Mr. DERWINSKI. Mr. Speaker, the growing interest in Senator FULLERIGHT's railroading of the Consular Convention with the U.S.S.R. encourages me to recommend again that our Committee on

tend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, I have today reintroduced two bills concerning extraordinary expenses of the city of New York, incurred because of the extra burden on the New York City police force of protecting the delegates to the United Nations and their staffs.

One of these bills would reimburse New York City the sum of \$4,404,000 for the unusual expenses incurred during September and October of 1960 in providing police protection for those attending the 15th session of the U.N. General Assembly. A similar bill was passed by the House on April 5, 1962, but the Senate adjourned before acting upon it. The Senate's Foreign Relations Committee had reported it out favorably, though, and the administration had endorsed its underlying principles.

The other bill provides for the annual reimbursement of New York City for that portion of the expenses of its police department which are attributable to providing protection for the United Nations, its delegates, and its staff.

Mr. Speaker, as a Representative from New York City, I am proud that the United Nations is located in our city. New York City, with its great cultural and intellectual resources, is an ideal location for man's great experiment in international relations.

However, we must remember that the benefits derived from the United Nations inure not merely to New York City, but rather to the entire Nation. The United Nations is a vital force for peace, not for one city, but for all men. It is therefore illogical that New York City alone must bear the expense of providing police protection for the United Nations.

This expense should be shared by the entire Nation. In fact, under the original agreement between the United States and the United Nations, the U.S. Government has final responsibility for protecting the United Nations. The treaty, which is incorporated in Public Law 80-357, 22 U.S.C. 287, states:

Wherever this agreement imposes obligations on the appropriate American authorities, the Government of the United States shall have the ultimate responsibility for the fulfillment of such obligations by the appropriate American authorities.

New York City spends about \$1 million annually in providing police protection for the United Nations. I believe that this is, in effect, a Federal function, and therefore the city should be reimbursed for this expense.

In addition to these usual protection costs, New York City incurred during the period between September 19, 1960, and October 14, 1960, extraordinary expenses, arising from the unusual nature of the 15th session of the United Nations General Assembly. That session was attended by an unprecedented number of chiefs of state and heads of government, including such leaders as Khrushchev, Castro, Tito, Nasser, Nehru, Nkrumah, Sukarno, and others.

Because of the enormous task of protecting these heads of state from possible harm, the entire New York City police

force of 21,000 worked overtime for the duration of the emergency. Lieutenants, captains, and inspectors were kept on 24-hour call. The New York City Police Department worked over 1 million extra hours to protect the visiting dignitaries and to maintain order in the United Nations and other areas visited by the leaders.

My bill would reimburse the city in the amount of \$4,404,000, which would include payment at the rate of time and one-half for overtime. Certainly the overtime provisions of our national labor policy should be applied.

I urge my colleagues to give their strong support to these fair, equitable, but long-overdue measures.

NATIONAL DRUM CORPS WEEK

(Mr. REUSS (at the request of Mr. GREIGG) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. REUSS' remarks will appear hereafter in the Appendix.]

(Mr. HELSTOSKI (at the request of Mr. GREIGG) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HELSTOSKI. Mr. Speaker, this week we are honoring the thousands of young people and cooperating adults across the Nation who are contributing so greatly to the colorful pageantry and patriotic spirit of our public events. National Drums Corps Week is a well-deserved tribute to the effort and dedication of these brilliantly uniformed, well-trained groups.

As the adults know, who are working so diligently to provide this wholesome activity for our young, the drum corps offer its participants an invaluable opportunity for character growth. To qualify for one of today's units requires that the young people learn the importance of cooperation, self-discipline, and reliability.

In return, the corps offers its members a sense of accomplishment and pride. It offers the opportunity to learn music and to share its enjoyment with others. It offers them, through the numerous public performances and competitions, an invaluable training ground for the development of self-confidence. It offers them also a chance for travel and the sense of group belonging.

Our national drum corps might well be considered our musical little leagues. They are predominantly extracurricular, privately sponsored, and highly competitive. They may be the result of an interested parent, recreational director of civic-minded organization. But, whichever the case, it has been necessary for a few enthusiastic adults to generate interest, raise money, find instructors, recruit boys—then devote a great deal of time and love to the young people and the project.

It has been estimated that in the United States and Canada about 3 million persons compete annually in the growing number of drum and bugle corps competitions. The three major events

are the Veterans of Foreign Wars Nationals, the American Legion Nationals, and the World Open Contest where units from any country can compete without any specified affiliation. There are also numerous State and local contests to be entered in addition to the public events, parades, and charitable functions to which our drum corps lend their spirit and color.

It would be hard to imagine a parade without the spirit of enthusiasm and patriotism that is infused into the crowds as a drum corps passes by. Although the military functions of America's drum corps have now diminished, the units of today serve to remind us of our Nation's past; of the men, lives and courage that have gone into the building of America. As they march by they tell two stories—one of the worthwhile and constructive form of recreation and group participation being provided for thousands of young people in this country, while the other story is of another day and the struggles of the past.

When drummer William Dinman beat the call "To Arms" on Lexington Common, he signaled the beginning of the American Revolution and a new era in political freedom and thought. He signaled the birth of a nation conceived in liberty and faith in the God-given worth and dignity of the individual citizen.

If we reflect upon Archibald Willard's famous painting, "The Spirit of '76," we remember the three ragged soldiers on that canvas—the old drummer, the young boy, and the fifer with his bandaged head. We see in the faces of these men the character of those who would stand and play until they died, or by their contagious heroism turn the tide of battle.

The fife and drum were used for several centuries in this country and throughout the world for signals and military music as armies went to battle. It was the command to "beat the long-roll" that alerted troops at Shiloh and the other heartbreaking battles of the Civil War. That was a sad page in American history, but from the struggle and the muffled drums came a stronger, more unified Nation.

Although the fife was gradually replaced by the bugle or trumpet, drum signals were still officially prescribed as late as World War I. Then they, too, gradually were replaced by more modern means of communication. But the drum corps remain an inseparable part of our history and our determination to build and maintain this great land. The memories they invoke give vividness to the heritage we must not forget as a nation, and the feelings they stimulate renew our sense of wholesome patriotism.

I am happy to have the opportunity to commend all those who have put so much time, effort, and energy into America's drum corps. All of us have enjoyed their performances and benefited by their activities. National Drum Corps Week is a well deserved time of recognition.

I am happy, also, to see that another step has been taken this year to give greater emphasis to the importance of this activity. The formation of the Drum Corps Hall of Fame is a proud step forward, and the men and units chosen as

its first entries are to be congratulated. Mr. C. M. Beebe, Mr. William Kemmerer, Sr., the Hawthorne Caballeros, and Garfield Cadets have earned eminent records in this field.

My best wishes are extended to all those working on behalf of our Nation's drum corps. May they enjoy continued success and increased community support.

(Mr. HELSTOSKI (at the request of Mr. GREIGG) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. HELSTOSKI'S remarks will appear hereafter in the Appendix.]

SAD DAY AT THE U.N.

(Mr. PRICE (at the request of Mr. GREIGG) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, we have reached the end of a road, at least for the time being. It is a sad end, but I hope not a permanent one. The road is that of collective responsibility for paying for the U.N.'s peacekeeping operations.

By their actions—or rather, by their failure to act—most members of the U.N. have shown beyond the slightest question that they will not apply the U.N.'s rules to the Russians and the French and 10 other members who have refused to pay assessments levied by the General Assembly, mostly assessments to pay the expenses for peacekeeping in the Congo and the Middle East. Now there is no way the General Assembly can make a member pay if that member does not want to pay. However, the charter does provide a penalty if nonpayment of assessments results in a 2-year pile-up in the amounts owed. This penalty is found in article 19 of the charter. It reads as follows:

A member of the United Nations which is in arrears in the payment of its financial contributions to the organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding 2 full years.

This all seems clear. But when it comes to the crunch, as it has come, there is reluctance to apply the penalty to the delinquents. This is sad. It is regrettable. It is not right. But there it is.

What should we do? Try to enforce article 19 all by ourselves? This is impossible. The votes required to apply the penalty to the 2-year delinquents are just not there. Does it make sense to have a showdown when we know in advance that we do not have the support required to make our view prevail?

We are faced with conflict of principle and necessity. On the one hand is the principle of working for law and order in the world, of applying the U.N. Charter without fear or favor. On the other hand is the necessity to keep the U.N. in business, to retain the General Assem-

bly as an option in peace and security and other matters, to keep the important work of the Organization going on.

This is a familiar dilemma. Each case is valid and sound. But, for the time being, we cannot uphold both at once. One of them must give way so that the other may prevail. We have come to the stage where a sacrifice bunt is called for.

Mr. Speaker, we have tried to make the U.N. a success. We shall keep on trying. But now is the time to acknowledge that we cannot win a fight over applying article 19, to realize that a knockdown, drag-out affair would serve only to disrupt the U.N. further, and to make it less able to get on with its important work. We cannot have the General Assembly doing its job—a job that is important to us and to the rest of the world—if we insist on going ahead with a losing proposition. So, let us put the article 19 issue on ice and let the U.N. get on with its work.

HIGHER CCC RESALE RATES MEAN HIGHER MARKET PRICES

(Mr. HUNGATE (at the request of Mr. GREIGG) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUNGATE. Mr. Speaker, Those who are singing the song of, "Higher CCC Resale Rates Mean Higher Market Prices," are doing to farmers what the Pied Piper did to the children of Hamelin. They are marching down the road which would destroy our commodity programs.

The farm programs for grains of the past 4 years have shown spectacular success. Just a few years back, mountains of surplus grain pinned the market down.

There seemed to be more grain on our hands than anybody wanted. The market price was held up only by a relatively high price-support loan rate, and even then the market price was ranging below the loan rate.

Farm programs since 1960 have reversed that trend. In 1960, carryover stocks of wheat were at an all-time high of 1.4 billion bushels. Last July 1, the end of the 1964-65 marketing year, stocks were down to 819 million bushels.

The mountain of wheat has been bulldozed into a manageable hill. In 1960, there were 85 million tons of feed grains. Forecasts are that at the end of the current marketing year on September 30, stocks will be down to about 55 million tons; another mountain of grain being cut down.

While farm programs were slicing the surpluses, they were maintaining and even improving farm income, although the farmer is still far from being an equal partner in our country's prosperity.

Gross farm income in 1964 was over \$4 billion higher than in 1960. Realized net income per farm increased from \$2,956 in 1960 to \$3,727 in 1964.

Let us refuse to follow the Pied Piper and stay on the road to better farm income and reduced excess grain supplies with lower storage costs to the taxpayer. I urge adoption of the administration's farm program.

USE OF CAPTIONED FILM AND EDUCATIONAL MEDIA FOR HANDICAPPED CHILDREN

The SPEAKER. Under previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 10 minutes.

Mr. FOGARTY. Mr. Speaker, I am introducing today a bill to amend and extend Public Law 85-906 which is now designed to provide a loan service of captioned films for the use of deaf persons. The success of the experiment to acquire films, caption them, provide them on a loan basis for the use of deaf persons, and to support research in the use of educational and training films for the deaf leads me to propose this amendment to the captioned films legislation to broaden it and to extend the fundamental idea behind it to include other handicapped children.

My colleague the gentleman from New York [Mr. CAREY] has submitted legislation which would broaden and extend the loan service available to deaf persons. The bill I am introducing takes the Carey bill as its foundation. My bill adds authority to extend the same kind of production and loan services, and research support to the use of all educational media for other handicapped children.

Captioned films have filled an obvious need for deaf persons and the program has demonstrated a need for expansion and amplification. But research has shown, for example, that new techniques using speeded sound tapes or outsized visual objects might be of particular use in teaching children who are blind or visually impaired. Research has also shown the benefits of programmed instruction for the mentally retarded using new media of sophisticated design. Obvious needs for crippled children might be met through research, or production, or loan services.

The method of attack here is direct. I am proposing to take a program that has worked well for deaf persons, and broaden it in such a way that it serves other handicapped children in the same manner and covering all educational media.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SISK, for August 20 to 30, on account of official business.

Mr. RUMSFELD (at the request of Mr. HAYS), for the week of August 23, on account of official business attending the NATO Parliamentarian's Conference in inspection of NATO military bases in Europe.

Mr. REDLIN, for an indefinite period, on account of the death of his mother.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FOGARTY, for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

H. R. 9811

AUGUST 20, 1965

Read twice and referred to the Committee on Agriculture and Forestry

AN ACT

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the “Food and Agriculture
4 Act of 1965”.

TITLE I—DAIRY

6 SEC. 101. The Agricultural Adjustment Act, as reen-
7 acted and amended by the Agricultural Marketing Agree-
8 ment Act of 1937, as amended, is further amended by strik-

1 ing in subparagraph (B) of subsection 8c(5) all of clause
2 (d) and inserting in lieu thereof a new clause (d) to read
3 as follows:

4 “(d) a further adjustment, equitably to apportion
5 the total value of the milk purchased by any handler, or
6 by all handlers, among producers and associations of
7 producers, on the basis of their marketings of milk, which
8 may be adjusted to reflect sales of such milk by any
9 handler or by all handlers in any use classification or
10 classifications, during a representative period of time
11 which need not be limited to one year. In the event a
12 producer holding a base allocated under this clause (d)
13 shall reduce his marketings, such reduction shall not
14 adversely affect his history of production and marketing
15 for the determination of future bases. Allocations to
16 producers under this clause (d) may be transferable un-
17 der an order on such terms and conditions as may be pre-
18 scribed if the Secretary of Agriculture determines that
19 transferability will be in the best interest of the public,
20 existing producers, and prospective new producers. Any
21 increase in class one base resulting from enlarged or in-
22 creased consumption and any producer class one bases
23 forfeited or surrendered shall first be made available to
24 new producers and to the alleviation of hardship and
25 inequity among producers.”;

1 and by adding at the end of said subparagraph (B) the fol-
2 lowing: "Notwithstanding the provisions of section 8c(12)
3 and the last sentence of section 8c(19) of this Act, order
4 provisions under (d) above shall not become effective in
5 any marketing order unless separately approved by producers
6 in a referendum in which each individual producer shall have
7 one vote and may be terminated separately whenever the
8 Secretary makes a determination with respect to such pro-
9 visions as is provided for the termination of an order in
10 subparagraph 8c(16) (B). Disapproval or termination of
11 such order provisions shall not be considered disapproval
12 of the order or of other terms of the order."

13 SEC. 102. Such Act is further amended (a) by adding to
14 subsection 8c(5) the following new paragraph: "(H) Mar-
15 keting orders applicable to milk and its products may be
16 limited in application to milk used for manufacturing."; and
17 (b) by amending subsection 8c(18) by adding after the
18 words "marketing area" wherever they occur the words "or,
19 in the case of orders applying only to manufacturing milk,
20 the production area".

21 SEC. 103. The provisions of this title shall not be effec-
22 tive after December 31, 1969.

23 SEC. 104. The legal status of producer handlers of milk
24 under the provisions of the Agricultural Adjustment Act,
25 as reenacted and amended by the Agricultural Marketing

1 Agreement Act of 1937, as amended, shall be the same sub-
2 sequent to the adoption of the amendments made by this
3 title as it was prior thereto.

4 TITLE II—WOOL

5 SEC. 201. In section 703 of the National Wool Act of
6 1954, as amended (68 Stat. 910, 72 Stat. 994, 75 Stat.
7 306), the second sentence is amended to read as follows:
8 “Such price support shall be limited to wool and mohair
9 marketed during the period beginning April 1, 1955, and
10 ending December 31, 1969.”

11 SEC. 202. In section 703 of the National Wool Act of
12 1954, as amended, the proviso at the end of the third sen-
13 tence is amended to read as follows: “*Provided*, That the
14 support price for shorn wool shall not exceed 110 per centum
15 of the parity price therefor nor shall be lower than 77 per
16 centum of the parity price therefor.”

17 SEC. 203. In section 703 of the National Wool Act of
18 1954, as amended, the fourth sentence is amended to read as
19 follows: “If the support price so determined does not exceed
20 90 per centum of the parity price for shorn wool, the support
21 price for shorn wool shall be at such level, not in excess of
22 90 per centum nor less than 77 per centum of the parity
23 price therefor, as the Secretary determines necessary in order
24 to encourage an annual production of approximately three
25 hundred and sixty million pounds of shorn wool.”

TITLE III—FEED GRAINS

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e) :

“(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16 (i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the acreage

1 acreage devoted on the farm to corn and grain sorghums in
2 1959 and 1960, and does not devote any acreage devoted to
3 the production of oats and rye in 1959 and 1960 to the
4 production of wheat pursuant to the provisions of section
5 328 of the Food and Agriculture Act of 1962. In addition
6 to price support provided under subsections (a) and (b)
7 of this section, which shall be made available through loans
8 and purchases, for any feed grain included in the acreage
9 diversion program, a payment-in-kind may be made avail-
10 able to producers in such amount or amounts as the Secre-
11 tary determines desirable to assure that the benefits of the
12 price support and diversion programs inure primarily to
13 those producers who cooperate in reducing their acreages
14 of feed grains, and to take into account the extent of partici-
15 pation by the producer. Such payments-in-kind shall be
16 made on such part of the acreage of such feed grain planted
17 on the farm for harvest as the Secretary determines desirable
18 to effectuate the purposes of the program: *Provided, That*
19 for purposes of such payments, the Secretary may permit
20 producers of feed grains to have acreage devoted to soybeans
21 considered as devoted to the production of feed grains to
22 such extent and subject to such terms and conditions as the
23 Secretary determines will not impair the effective operation
24 of the price support program. An acreage on the farm
25 which the Secretary finds was not planted to feed grains be-

1 cause of drought, flood, or other natural disaster shall be
2 deemed to be an actual acreage of feed grains planted for
3 harvest for purposes of such payments. The Secretary may
4 make not to exceed 50 per centum of any payments here-
5 under to producers in advance of determination of perform-
6 ance. Payments-in-kind shall be made through the issuance
7 of negotiable certificates which the Commodity Credit Cor-
8 poration shall redeem for feed grains (such feed grains to
9 be valued by the Secretary at not less than the current sup-
10 port price made available through loans and purchases, plus
11 reasonable carrying charges) in accordance with regulations
12 prescribed by the Secretary and, notwithstanding any other
13 provision of law, the Commodity Credit Corporation shall,
14 in accordance with regulations prescribed by the Secretary,
15 assist the producer in the marketing of such certificates. The
16 Secretary shall provide for the sharing of such certificates
17 among producers on the farm on a fair and equitable basis.
18 If the operator of the farm elects to participate in the acreage
19 diversion program, price support for feed grains included in
20 the program shall be made available to the producers on
21 such farm only if such producers divert from the production
22 of such feed grains, in accordance with the provisions of
23 such program, an acreage on the farm equal to the number of
24 acres which such operator agrees to divert, and the agree-
25 ment shall so provide. Notwithstanding any other provision

1 of law, payments-in-kind under this subsection (e) and sub-
2 section (d) of this section may be adjusted by the Secretary
3 for failure of a producer to comply fully with the terms and
4 conditions of the programs formulated under such subsec-
5 tions and section 16 of the Soil Conservation and Domestic
6 Allotment Act, as amended.”

7 SEC. 302. Section 16 of the Soil Conservation and
8 Domestic Allotment Act, as amended, is amended by adding
9 the following new subsection:

10 “(i) Notwithstanding any other provision of law—

11 “(1) For the 1966 through 1969 crops of feed
12 grains, if the Secretary determines that the total supply
13 of feed grains will, in the absence of an acreage diver-
14 sion program, likely be excessive, taking into account
15 the need for an adequate carryover to maintain reason-
16 able and stable supplies and prices of feed grains and
17 to meet any national emergency, he may formulate and
18 carry out an acreage diversion program for feed grains,
19 without regard to provisions which would be applicable
20 to the regular agricultural conservation program, under
21 which, subject to such terms and conditions as the Secre-
22 tary determines, conservation payments shall be made to
23 producers who divert acreage from the production
24 of feed grains to an approved conservation use and in-
25 crease their average acreage of cropland devoted in 1959

1 and 1960 to designated soil-conserving crops or practices
2 including summer fallow and idle land by an equal
3 amount. Payments shall be made at such rate or rates
4 as the Secretary determines will provide producers with
5 a fair and reasonable return for the acreage diverted, not
6 in excess of 50 per centum of the estimated basic county
7 support rate, including the lowest rate of payment-in-
8 kind in effect. Notwithstanding the foregoing provisions,
9 the Secretary may permit all or any part of such diverted
10 acreage to be devoted to the production of guar, sesame,
11 safflower, sunflower, castor beans, mustard seed, and
12 flax, if he determines that such production of the com-
13 modity is needed to provide an adequate supply, is
14 not likely to increase the cost of the price support pro-
15 gram, and will not adversely affect farm income subject
16 to the condition that payment with respect to diverted
17 acreage devoted to any such crop shall be at a rate
18 determined by the Secretary to be fair and reasonable,
19 taking into consideration the use of such acreage for
20 the production of such crops, but in no event shall the
21 payment exceed one-half the rate which otherwise would
22 be applicable if such acreage were devoted to conserva-
23 tion uses. The term 'feed grains' means corn, grain
24 sorghums, and, if designated by the Secretary, barley

1 and if for any crop the producer so requests for pur-
2 poses of having acreage devoted to the production of
3 wheat considered as devoted to the production of feed
4 grains, pursuant to the provisions of section 328 of the
5 Food and Agriculture Act of 1962, the term 'feed
6 grains' shall include oats and rye: *Provided*, That
7 acreages of corn, grain sorghums, and, if designated
8 by the Secretary, barley, shall not be planted in lieu of
9 acreages of oats and rye: *Provided further*, That the
10 acreage devoted to the production of wheat shall not be
11 considered as an acreage of feed grains for purposes of
12 establishing the feed grain base acreage for the farm
13 for subsequent crops. Such feed grain diversion pro-
14 gram shall require the producer to take such measures
15 as the Secretary may deem appropriate to keep such di-
16 verted acreage free from erosion, insects, weeds, and
17 rodents. The acreage eligible for participation in the
18 program shall be such acreage (not to exceed 50 per
19 centum of the average acreage on the farm devoted to
20 feed grains in the crop years 1959 and 1960 or twenty-
21 five acres, whichever is greater) as the Secretary de-
22 termines necessary to achieve the acreage reduction
23 goal for the crop. Payments shall be made in kind.
24 The acreage of wheat produced on the farm during the
25 crop years 1959, 1960, and 1961, pursuant to the

1 exemption provided in section 335 (f) of the Agricul-
2 tural Adjustment Act of 1938, as amended, prior to its
3 repeal by the Food and Agriculture Act of 1962, in
4 excess of the small farm base acreage for wheat estab-
5 lished under section 335 of the Agricultural Adjustment
6 Act of 1938, as amended, may be taken into considera-
7 tion in establishing the feed grain base acreage for the
8 farm. The Secretary may make such adjustments in
9 acreage as he determines necessary to correct for ab-
10 normal factors affecting production, and to give due
11 consideration to tillable acreage, crop-rotation practices,
12 types of soil, soil and water conservation measures, and
13 topography. Notwithstanding any other provision of
14 this subsection (i) (1), the Secretary may, upon unan-
15 imous request of the State committee established pur-
16 suant to section 8 (b) of the Soil Conservation and
17 Domestic Allotment Act, as amended, adjust the feed
18 grain bases for farms within any State or county to
19 the extent he determines such adjustment to be necessary
20 in order to establish fair and equitable feed grain bases
21 for farms within such State or county. The Secretary
22 may make not to exceed 50 per centum of any payments
23 to producers in advance of determination of performance.
24 Notwithstanding any other provision of this subsection,
25 barley shall not be included in the program for a pro-

1 ducer of malting barley exempted pursuant to section
2 105 (e) of the Agricultural Act of 1949, who partici-
3 pates only with respect to corn and grain sorghums and
4 does not knowingly devote an acreage on the farm
5 to barley in excess of 110 per centum of the average
6 acreage devoted on the farm to barley in 1959 and 1960.

7 “(2) Notwithstanding any other provision of this
8 subsection, not to exceed 1 per centum of the estimated
9 total feed grain bases for all farms in a State for any year
10 may be reserved from the feed grain bases established for
11 farms in the State for apportionment to farms on which
12 there were no acreages devoted to feed grains in the crop
13 years 1959 and 1960 on the basis of the following fac-
14 tors: Suitability of the land for the production of feed
15 grains, the past experience of the farm operator in the
16 production of feed grains, the extent to which the farm
17 operator is dependent on income from farming for his
18 livelihood, the production of feed grains on other farms
19 owned, operated, or controlled by the farm operator, and
20 such other factors as the Secretary determines should be
21 considered for the purpose of establishing fair and equi-
22 table feed grain bases. An acreage equal to the feed
23 grain base so established for each farm shall be deemed to
24 have been devoted to feed grains on the farm in each of
25 the crop years 1959 and 1960 for purposes of this sub-

1 section except that producers on such farm shall not be
2 eligible for conservation payments for the first year for
3 which the feed grain base is established.

4 “(3) There are hereby authorized to be appropri-
5 ated such amounts as may be necessary to enable the
6 Secretary to carry out this section 16 (i).

7 “(4) The Secretary shall provide by regulations for
8 the sharing of payments under this subsection among
9 producers on the farm on a fair and equitable basis and
10 in keeping with existing contracts.

11 “(5) Payments in kind shall be made through the
12 issuance of negotiable certificates which the Commodity
13 Credit Corporation shall redeem for feed grains in
14 accordance with regulations prescribed by the Secretary
15 and, notwithstanding any other provision of law, the
16 Commodity Credit Corporation shall, in accordance with
17 regulations prescribed by the Secretary, assist the pro-
18 ducer in the marketing of such certificates. Feed grains
19 with which Commodity Credit Corporation redeems cer-
20 tificates pursuant to this paragraph shall be valued at
21 not less than the current support price made available
22 through loans and purchases, plus reasonable carrying
23 charges.

24 “(6) Notwithstanding any other provision of law,
25 the Secretary may, by mutual agreement with the pro-

1 ducer, terminate or modify any agreement previously
2 entered into pursuant to this subsection if he determines
3 such action necessary because of an emergency created
4 by drought or other disaster, or in order to prevent or
5 alleviate a shortage in the supply of feed grains.”

6 SEC. 303. Section 326 of the Food and Agriculture Act
7 of 1962, as amended, is amended by deleting the language
8 beginning with "the requirements" and ending with "Agri-
9 cultural Act of 1961, and" and substituting therefor "the
10 requirements of any program under which price support is
11 extended or payments are made to farmers, and price support
12 may be extended or".

13 TITLE IV—COTTON

14 SEC. 401. The Agricultural Adjustment Act of 1938, as
15 amended, is amended as follows:

16 (1) Section 348 of the Act is amended by adding
17 the following new sentences at the end thereof: "The
18 Secretary may extend the period for performance of obliga-
19 tions incurred in connection with payments made for the
20 period ending July 31, 1966, or may make payments on raw
21 cotton in inventory on July 31, 1966, at the rate in effect on
22 such date. No payments shall be made hereunder with
23 respect to the 1966 crop cotton."

24 (2) Section 346 of the Act is amended by adding at
25 the end thereof a new subsection as follows:

1 “(e) Notwithstanding any other provision of this Act,
2 for the 1966, 1967, 1968, and 1969 crops of upland cotton, if
3 the farm operator elects to forego price support for any
4 such crop of cotton by planting in excess of the farm acreage
5 allotment established under section 344, all cotton of such
6 crop produced on the farm may be marketed free of any
7 penalty under this section: *Provided*, That this subsection
8 shall be applicable only to farms for which farm acreage
9 allotments were established for 1965 and the farm operator
10 for the current year was the operator of such farm for 1965
11 or has acquired such farm by inheritance from the operator
12 since such year. The operator of any farm who elects to
13 forego price support for any such year under this subsection
14 shall not be eligible for price support on cotton on any other
15 farm in which he has a controlling or substantial interest
16 as determined by the Secretary. Acreage planted to cotton
17 in excess of the farm acreage allotment established under
18 section 344 shall not be taken into account in establishing
19 future State, county, and farm acreage allotments.”

20 (3) Section 350 of the Act is amended, effective with
21 the 1966 crop, to read as follows:

22 “SEC. 350. In order to afford producers an opportunity
23 to participate in a program of reduced acreage and higher
24 price support, as provided in section 103 (d) of the Agri-
25 cultural Act of 1949, as amended, the Secretary shall deter-

1 mine a national domestic allotment for the 1966, 1967, 1968,
2 and 1969 crops of upland cotton equal to the estimated do-
3 mestic consumption of upland cotton (standard bales of
4 four hundred and eighty pounds net weight) for the mar-
5 keting year beginning in the year in which the crop is to
6 be produced. The Secretary shall determine a farm domestic
7 acreage allotment percentage for each such year by dividing
8 (1) the national domestic allotment (in net weight pounds)
9 by (2) the total for all States of the product of the State
10 acreage allotment and the projected State yield: *Provided*,
11 That no farm domestic acreage allotment shall be less than
12 65 per centum of such farm acreage allotment. The farm
13 domestic acreage allotment shall be established by multiply-
14 ing the farm acreage allotment established under section 344
15 by the farm domestic acreage allotment percentage. Such
16 national domestic allotment shall be determined not later
17 than October 15 of the calendar year preceding the year in
18 which the crop is to be produced.”

19 SEC. 402. Section 103 of the Agricultural Act of 1949,
20 as amended, is amended by adding the following new sub-
21 section at the end thereof:

22 “(d) (1) Notwithstanding any other provision of this
23 Act, if producers have not disapproved marketing quotas,
24 price support shall be made available for the 1966, 1967,

1 1968, and 1969 crops of upland cotton as provided in this
2 subsection.

3 “(2) Price support for each such crop of upland cotton
4 shall be made available to cooperators through loans at such
5 level, not exceeding 90 per centum of the estimated average
6 world market price for Middling one-inch upland cotton at
7 average location in the United States for the marketing year
8 for such crop, as the Secretary determines will provide
9 orderly marketing of cotton during the harvest season and
10 will retain an adequate share of the world market for cotton
11 produced in the United States taking into consideration the
12 factors specified in section 401 (b) of this Act: *Provided*,
13 That the national average loan rate for the 1966 crop shall
14 reflect 21 cents per pound for Middling one-inch upland
15 cotton.

16 “(3) The Secretary also shall provide price support
17 through payments in cash or in kind to cooperators who
18 participate in a cotton acreage reduction program as provided
19 in this subsection: *Provided*, That the total of the national
20 average loan rate for any crop under paragraph (2) and
21 the rate at which payments are made under this paragraph
22 shall not be less than 65 per centum or more than 90 per
23 centum of the parity price for cotton: *Provided further*, That

1 for the 1966, 1967, 1968, and 1969 crops of cotton payments
2 shall be made at a rate not less than 9 cents per pound.
3 Such payments shall be made on the quantity of cotton
4 determined by multiplying the acreage planted to cotton
5 within the farm domestic acreage allotment by the pro-
6 jected farm yield: *Provided*, That any such farm planting
7 not less than 90 per centum of such allotment shall be deemed
8 to have planted the entire amount of such allotment.

9 “(4) The Secretary shall provide price support pay-
10 ments in addition to the payments authorized in paragraph
11 (3) to cooperators who divert from the production of cotton
12 to approved conservation practices to the extent prescribed
13 by the Secretary: *Provided*, That such diversion shall not
14 exceed 35 per centum of the farm acreage allotment estab-
15 lished under section 344 of the Agricultural Adjustment Act
16 of 1938, as amended.

17 “(5) The combined rates of the payments under para-
18 graphs (3) and (4) for the 1966 crop shall be made on the
19 farm domestic acreage allotment determined on the basis of
20 the farm acreage allotment without regard to acreage reap-
21 portioned to the farm under section 344 (m) (2) of the
22 Agricultural Adjustment Act of 1938, as amended, and
23 shall be in amounts as follows:

24 “(A) For farms on which the acreage planted to
25 cotton does not exceed the farm domestic acreage allot-

1 ment, an amount equal to 69.8 per centum of the basic
2 level of support established under paragraph (2).

3 “(B) For farms on which the acreage planted to
4 cotton exceeds the farm domestic acreage allotment by
5 not more than 15.4 per centum, an amount equal to 62.1
6 per centum of the basic level of support established under
7 paragraph (2).

8 “(C) For farms on which the acreage planted to
9 cotton exceeds the farm domestic acreage allotment by
10 more than 15.4 per centum but by not more than 30.8
11 per centum, an amount equal to 54.4 per centum of the
12 basic level of support established under paragraph (2).

13 “(D) Notwithstanding the foregoing provisions of
14 this paragraph, no payment shall be made with respect
15 to the domestic allotment portion of any acreage re-
16 apportioned to the farm under the provisions of section
17 344 (m) (2) of the Agricultural Adjustment Act of
18 1938, as amended, greater than 42.9 per centum of the
19 basic level of support established under paragraph (2).

20 “The Secretary may make not to exceed 50 per centum
21 of the payments under this subsection to producers in advance
22 of determination of performance.

23 “(6) Where the farm operator elects to participate in
24 the acreage reduction program authorized in this subsection
25 and no acreage is planted to cotton on the farm, price sup-

1 port payments shall be made at a rate equal to 50 per centum
2 of the national average loan rate established under paragraph
3 (2) on the quantity of cotton determined by multiplying 15
4 per centum of the farm acreage allotment by the projected
5 farm yield, and the remainder of such allotment may be re-
6 leased under the provisions of section 344(m) (2) of the
7 Agricultural Adjustment Act of 1938, as amended. The
8 acreage on which payment is made under this paragraph
9 shall be regarded as planted to cotton for purposes of estab-
10 lishing future State, county, and farm acreage allotments and
11 farm bases.

12 “(7) Additional price support provided under this sub-
13 section by payments-in-kind shall be made through the
14 issuance of certificates which the Commodity Credit Corpora-
15 tion shall redeem under regulations issued by the Secretary
16 for cotton valued at not less than the loan rate therefor.
17 The Corporation may, under regulations prescribed by the
18 Secretary, assist the producers in the marketing of such
19 certificates at such times and in such manner as the Secre-
20 tary determines will best effectuate the purposes of the
21 program authorized by this subsection.

22 “(8) Payments under this subsection with respect to
23 any farm shall be conditioned on the farm having an acreage
24 of approved conservation uses equal to the sum of (i) the
25 reduction in cotton acreage required to qualify for such

1 payments under this subsection and (ii) the average acre-
2 age of cropland on the farm devoted to designated soil-con-
3 serving crops or practices, including summer fallow and
4 idle land, during a base period prescribed by the Secretary:
5 *Provided*, That the Secretary may permit all or any part
6 of such reduced acreage to be devoted to the production of
7 guar, safflower, sunflower, castor beans, mustard seed, and
8 flax, if he determines that such production is necessary to
9 provide an adequate supply of such commodities, is not likely
10 to increase the cost of the price support program, and will
11 not adversely affect farm income.

12 “(9) The acreage regarded as planted to cotton on any
13 farm which qualifies for payment under this subsection except
14 under paragraph (6) shall, for purposes of establishing future
15 State, county, and farm acreage allotments and farm bases,
16 be the farm acreage allotment established under section 344
17 of the Agricultural Adjustment Act of 1938, as amended,
18 excluding adjustments under subsection (m) (2) thereof.

19 “(10) The Secretary shall provide adequate safeguards
20 to protect the interests of tenants and sharecroppers, includ-
21 ing provision for sharing on a fair and equitable basis in price
22 support under this subsection.

23 “(11) Notwithstanding any other provision of this
24 section, the amount of price support payments made with
25 respect to any farm may be adjusted for failure to comply

1 fully with the terms and conditions of the program formu-
2 lated pursuant to this subsection.

3 “(12) Notwithstanding any other provision of this Act,
4 if, as a result of limitations hereafter enacted with respect
5 to price support under this subsection, the Secretary is unable
6 to make available to all cooperators the full amount of
7 combined price support to which they would otherwise be
8 entitled under paragraphs (2) and (3) of this subsection for
9 any crop of upland cotton, (A) price support to cooperators
10 shall be made available for such crop (if marketing quotas
11 have not been disapproved) through loans or purchases at
12 such level not less than 65 per centum nor more than 90 per
13 centum of the parity price therefor as the Secretary deter-
14 mines appropriate; (B) in order to keep upland cotton to
15 the maximum extent practicable in the normal channels of
16 trade, such price support may be carried out through the
17 simultaneous purchase of cotton at the support price there-
18 for and resale at a lower price or through loans under
19 which the cotton would be redeemable by payment of a
20 price therefor lower than the amount of the loan thereon;
21 and (C) such resale or redemption price shall be such
22 as the Secretary determines will provide orderly market-
23 ing of cotton during the harvest season and will retain an
24 adequate share of the world market for cotton produced in
25 the United States.

1 “(13) Section 408 (b) of the Agricultural Act of 1949,
2 as amended, is amended by changing the period at the end
3 of the first sentence thereof to a colon and adding the fol-
4 lowing: ‘*Provided*, That for the 1966, 1967, 1968, and
5 1969 crops of upland cotton a cooperator shall be a producer
6 on whose farm the acreage planted to cotton does not exceed
7 an acreage equal to 85 per centum of such farm acreage
8 allotment determined without regard to any acreage reap-
9 portioned to the farm under paragraph 344 (m) (2) of the
10 Agricultural Adjustment Act of 1938, as amended, plus an
11 acreage not to exceed the number of acres reapportioned to
12 the farm under such paragraph’.

13 “(14) The provisions of subsection 8 (g) of the Soil
14 Conservation and Domestic Allotment Act, as amended,
15 (relating to assignment of payments) shall also apply to
16 payments under this subsection.”

17 SEC. 403. Section 301 of the Agricultural Adjustment
18 Act of 1938, as amended, is amended by adding the follow-
19 ing new subparagraphs to paragraph (13) of subsection (b) :

20 “(L) ‘Projected National, State, and county yields’
21 for any crop of cotton shall be determined on the basis of the
22 yield per harvested acre of such crop in the United States,
23 the State and the county, respectively, during each of the
24 five calendar years immediately preceding the year in which
25 such projected yield for the United States, the State, and the

1 county, respectively, is determined, adjusted for abnormal
2 weather conditions affecting such yield, for trends in yields,
3 and for any significant changes in production practices.

4 “(M) ‘Projected farm yield’ for any crop of cotton shall
5 be determined on the basis of the yield per harvested acre
6 of such crop on the farm during each of the three calendar
7 years immediately preceding the year in which such pro-
8 jected farm yield is determined, adjusted for abnormal
9 weather conditions affecting such yield, for trends in yields,
10 and for any significant changes in production practices, but
11 in no event shall such projected farm yield be less than the
12 normal yield for such farm as provided in subparagraph (I)
13 of this paragraph.”

14 SEC. 404. Section 407 of the Agricultural Act of 1949,
15 as amended, is amended by adding at the end thereof the fol-
16 lowing: “Notwithstanding any other provision of this sec-
17 tion, for the period August 1, 1966, through July 31, 1970,
18 (1) the Commodity Credit Corporation shall sell upland
19 cotton for unrestricted use at the same prices as it sells cotton
20 for export, in no event, however, at less than 110 per centum
21 of the loan rate, and (2) the Commodity Credit Corporation
22 shall sell or make available for unrestricted use at current
23 market prices in each marketing year a quantity of upland
24 cotton equal to the amount by which the production of up-
25 land cotton is less than the estimated requirements for domes-

1 tic use and for export for such marketing year. The Secre-
2 tary may make such estimates and adjustments therein at
3 such times as he determines will best effectuate the pro-
4 visions of part (2) of the foregoing sentence and such quan-
5 tities of cotton as are required to be sold under such sen-
6 tence shall be offered for sale in an orderly manner and so
7 as not to affect market prices unduly."

8 SEC. 405. The Agricultural Adjustment Act of 1938, as
9 amended, is amended by adding after section 344 the follow-
10 ing new section:

11 "SEC. 344a. (a) Notwithstanding any other provision of
12 law, the Secretary, if he determines that it will not impair
13 the effective operation of the program involved, (1) may
14 permit the owner and operator of any farm for which a
15 cotton acreage allotment is established to sell or lease all or
16 any part or the right to all or any part of such allotment
17 (excluding that part of the allotment which the Secretary
18 determines was apportioned to the farm from the national
19 acreage reserve) to any other owner or operator of a farm
20 for transfer to such farm; (2) may permit the owner of a
21 farm to transfer all or any part of such allotment to any other
22 farm owned by him: *Provided*, That the authority granted
23 under this section may be exercised for the calendar years
24 1966, 1967, 1968, and 1969, but all transfers hereunder

1 shall be for such period of years as the parties thereto may
2 agree.

3 “(b) Transfers under this section shall be subject to the
4 following conditions: (i) no allotment shall be transferred to
5 a farm in another State or to a person for use in another
6 State; (ii) farm allotments may be sold or leased for transfer
7 to farms in another county within the same State, provided
8 that farmers within the county of origin will have priority in
9 leasing or buying such acreage allotments for an initial pe-
10 riod of 45 days after an intent to sell or lease has been filed
11 with the County Agricultural Stabilization and Conservation
12 Committee of the seller’s intent to sell at a stated price;
13 (iii) no transfer of an allotment from a farm subject to a
14 mortgage or other lien shall be permitted unless the transfer
15 is agreed to by the lienholder; (iv) no sale of a farm allot-
16 ment shall be permitted if any sale of cotton allotment to
17 the same farm has been made within the three immediately
18 preceding crop years; (v) the total cotton allotment for
19 any farm to which allotment is transferred by sale or lease
20 shall not exceed the farm acreage allotment (excluding re-
21 apportioned acreage) established for such farm for 1965 by
22 more than one hundred acres; (vi) no cotton in excess
23 of the remaining acreage allotment on the farm shall be
24 planted on any farm from which the allotment (or part of
25 an allotment) is sold for a period of five years following

1 such sale, nor shall any cotton in excess of the remaining
2 acreage allotment on the farm be planted on any farm from
3 which the allotment (or part of an allotment) is leased
4 during the period of such lease, and the producer on such
5 farm shall so agree as a condition precedent to the Secre-
6 tary's approval of any such sale or lease; and (vii) no trans-
7 fer of allotment shall be effective until a record thereof is
8 filed with the county committee of the county to which such
9 transfer is made and such committee determines that the
10 transfer complies with the provisions of this section.

11 “ (c) The transfer of an allotment shall have the effect of
12 transferring also the acreage history, farm base, and mar-
13 keting quota attributable to such allotment and if the transfer
14 is made prior to the determination of the allotment for any
15 year the transfer shall include the right of the owner or
16 operator to have an allotment determined for the farm for
17 such year: *Provided*, That in the case of a transfer by lease,
18 the amount of the allotment shall be considered for purposes
19 of determining allotments after the expiration of the lease
20 to have been planted on the farm from which such allot-
21 ment is transferred.

22 “ (d) The land in the farm from which the entire cotton
23 allotment and acreage history have been transferred shall not
24 be eligible for a new farm cotton allotment during the five
25 years following the year in which such transfer is made.

1 “(e) The transfer of a portion of a farm allotment which
2 was established under minimum farm allotment provisions for
3 cotton or which operates to bring the farm within the
4 minimum farm allotment provision for cotton shall cause the
5 minimum farm allotment or base to be reduced to an amount
6 equal to the allotment remaining on the farm after such
7 transfer.

8 “(f) The Secretary shall prescribe regulations for the
9 administration of this section, which shall include provisions
10 for adjusting the size of the allotment transferred if the farm
11 to which the allotment is transferred has a substantially
12 higher yield per acre and such other terms and conditions as
13 he deems necessary.

14 “(g) If the sale or lease occurs during a period in which
15 the farm is covered by a conservation reserve contract, crop-
16 land conversion agreement, or other similar land utilization
17 agreement, the rates of payment provided for in the contract
18 or agreement of the farm from which the transfer is made
19 shall be subject to an appropriate adjustment, but no adjust-
20 ment shall be made in the contract or agreement of the farm
21 to which the allotment is transferred.

22 “(h) The Secretary shall by regulations authorize the
23 exchange between farms in the same county, or between
24 farms in adjoining counties within a State, of cotton acreage
25 allotment for rice acreage allotment. Any such exchange

1 shall be made on the basis of application filed with the
2 county committee by the owners and operators of the farms,
3 and the transfer of allotment between the farms shall include
4 transfer of the related acreage history for the commodity.
5 The exchange shall be acre for acre or on such other basis
6 as the Secretary determines is fair and reasonable, taking
7 into consideration the comparative productivity of the soil
8 for the farms involved and other relevant factors. No farm
9 from which the entire cotton or rice allotment has been
10 transferred shall be eligible for an allotment of cotton or rice
11 as a new farm within a period of five crop years after the
12 date of such exchange.

13 “(i) The provisions of this section relating to cotton shall
14 apply only to upland cotton.”

15 SEC. 406. The Secretary may, to the extent he deems
16 it desirable, provide by appropriate regulations for surrender
17 of cotton allotment and acreage history applicable to acre-
18 age diverted from the production of cotton under the crop-
19 land adjustment program. No cotton in excess of the re-
20 maining acreage allotment on the farm shall be planted for
21 the five succeeding crop years on any farm which all or part
22 of the allotment has been surrendered. Any cotton allot-
23 ment or acreage history surrendered pursuant to the fore-
24 going authority shall be held in reserve in establishing

1 future national, State, county, and farm cotton acreage allot-
2 ments and bases. The Secretary is authorized to increase by
3 not more than 25 per centum the rate or rates of annual
4 payments to be made to producers under such program who
5 surrender cotton acreage and allotment history pursuant to
6 the authority of this section. In carrying out the provisions
7 of this section, the Secretary may use Commodity Credit
8 Corporation stocks and funds for effectuating payment to
9 producers.

10 TITLE V—WHEAT

11 SEC. 501. Effective beginning with the crop planted for
12 harvest in the calendar year 1966, the Agricultural Adjust-
13 ment Act of 1938, as amended, is amended as follows:

14 (1) Section 332 is amended by changing item (iv) in
15 subsection (b) to read: "will be utilized during such market-
16 ing year in the United States as livestock (including poul-
17 try) feed, excluding the estimated quantity of wheat which
18 will be utilized for such purpose as a result of the substitution
19 of wheat for feed grains under section 328 of the Food and
20 Agriculture Act of 1962" and by adding the following new
21 subsection:

22 "(d) Notwithstanding any other provision of this Act,
23 the Secretary shall not proclaim a national marketing quota
24 for the crops of wheat planted for harvest in the calendar

1 years 1966 through 1969, and farm marketing quotas shall
2 not be in effect for such crops of wheat.”

3 (2) Section 333 is amended to read as follows: “The
4 Secretary shall proclaim a national acreage allotment for each
5 crop of wheat. The amount of the national acreage allot-
6 ment for any crop of wheat shall be the number of acres
7 which the Secretary determines on the basis of the projected
8 national yield and expected underplantings (acreage other
9 than that not harvested because of program incentives) of
10 farm acreage allotments will produce an amount of wheat
11 equal to the national marketing quota for wheat for the
12 marketing year for such crop, or if a national marketing
13 quota was not proclaimed, the quota which would have
14 been determined if one had been proclaimed. The Secretary
15 may, in his discretion, adjust such national acreage allotment
16 as he determines necessary to assure the maintenance of
17 adequate but not excessive stocks in the United States.

18 (3) Subsection (a) of section 334 is amended to read
19 as follows:

20 “(a) The national allotment for wheat, less a reserve of
21 not to exceed 1 per centum thereof for apportionment as
22 provided in this subsection and less the special acreage re-
23 serve provided for in this subsection, shall be apportioned by
24 the Secretary among the States on the basis of the preceding

1 year's allotment for each such State, including for 1966 the
2 increased acreage in the State allotted for 1965 under section
3 335, adjusted to the extent deemed necessary by the Secre-
4 tary to establish a fair and equitable apportionment base for
5 each State, taking into consideration established crop rota-
6 tion practices, estimated decrease in farm allotments because
7 of loss of history, and other relevant factors. The reserve
8 acreage set aside herein for apportionment by the Secretary
9 shall be used to make allotments to counties in addition to
10 the county allotments made under subsection (b) of this
11 section, on the basis of the relative needs of counties for addi-
12 tional allotments because of reclamation and other new areas
13 coming into production of wheat. There also shall be made
14 available a special acreage reserve of not in excess of one
15 million acres as determined by the Secretary to be desirable
16 for the purposes hereof which shall be in addition to the na-
17 tional acreage reserve provided for in this subsection. Such
18 special acreage reserve shall be made available to the States
19 to make additional allotments to counties on the basis of the
20 relative needs of counties, as determined by the Secretary,
21 for additional allotments to make adjustments in the allot-
22 ments on old wheat farms (that is, farms on which wheat has
23 been seeded or regarded as seeded to one or more of the
24 three crops immediately preceding the crop for which the
25 allotment is established) on which the ratio of wheat acreage

1 allotment to cropland on the farm is less than one-half the
2 average ratio of wheat acreage allotment to cropland on old
3 wheat farms in the county. Such adjustments shall not pro-
4 vide an allotment for any farm which would result in allot-
5 ment-cropland ratio for the farm in excess of one-half of such
6 county average ratio and the total of such adjustments in
7 any county shall not exceed the acreage made avail-
8 able therefor in the county. Such apportionment from the
9 special acreage reserve shall be made only to counties where
10 wheat is a major income-producing crop, only to farms on
11 which there is limited opportunity for the production of an
12 alternative income-producing crop, and only if an efficient
13 farming operation on the farm requires the allotment of addi-
14 tional acreage from the special acreage reserve. For the
15 purposes of making adjustments hereunder the cropland on
16 the farm shall not include any land developed as cropland
17 subsequent to the 1963 crop year.”

18 (4) Subsection (b) of section 334 is amended to read
19 as follows:

20 “(b) The State acreage allotment for wheat, less a re-
21 serve of not to exceed 3 per centum thereof for apporportion-
22 ment as provided in subsection (c) of this section, shall be
23 apportioned by the Secretary among the counties in the
24 State, on the basis of the preceding year’s wheat allotment
25 in each such county, including for 1966 the increased acre-

1 age in the county allotted for 1965 pursuant to section 335,
2 adjusted to the extent deemed necessary by the Secretary
3 in order to establish a fair and equitable apportionment base
4 for each county, taking into consideration established crop
5 rotation practices, estimated decrease in farm allotments
6 because of loss of history, and other relevant factors.”

7 (5) Subsection (c) of section 334 is amended by adding
8 new paragraphs (3) and (4) to read as follows:

9 “(3) Notwithstanding the provisions of paragraph (1)
10 of this subsection, the past acreage of wheat for 1966 and
11 any subsequent year shall be the acreage of wheat planted,
12 plus the acreage regarded as planted, for harvest as grain
13 on the farm which is not in excess of the farm acreage
14 allotment.

15 “(4) Notwithstanding any other provision of this sub-
16 section (c), the farm acreage allotment for the 1966 and
17 any subsequent crop of wheat shall be established for each
18 old farm by apportioning the county wheat acreage allot-
19 ment among farms in the county on which wheat has been
20 planted, or is considered to have been planted, for harvest
21 as grain in any one of the three years immediately preceding
22 the year for which allotments are determined on the basis
23 of past acreage of wheat and the farm acreage allotment
24 for the year immediately preceding the year for which the
25 allotment is being established, adjusted as hereinafter pro-

1 vided. For purposes of this paragraph, the acreage allot-
2 ment for the immediately preceding year may be adjusted to
3 reflect established crop-rotation practices, may be adjusted
4 downward to reflect a reduction in the tillable acreage on
5 the farm and may be adjusted upward to reflect such other
6 factors as the Secretary determines should be considered
7 for the purpose of establishing a fair and equitable allotment:
8 *Provided*, That (i) for purposes of computing the 1966
9 allotment for any farm not in compliance with its 1964
10 farm acreage allotment, the 1965 acreage allotment shall
11 be reduced by 7 per centum; (ii) for the purposes of com-
12 puting the allotment for any year, the acreage allotment
13 for the farm for the immediately preceding year shall be
14 decreased by 7 per centum if for the year immediately pre-
15 ceding the year for which such reduction is made neither a
16 voluntary division program nor a certificate program was
17 in effect and there was noncompliance with the farm acreage
18 allotment for such year; (iii) for purposes of clause
19 (ii), any farm on which the entire amount of farm market-
20 ing excess is delivered to the Secretary, stored, or adjusted
21 to zero in accordance with applicable regulations to avoid
22 or postpone payment of the penalty when farm marketing
23 quotas are in effect, shall be considered in compliance with
24 the allotment, but if any part of the amount of wheat so
25 stored is later depleted and penalty becomes due by reason

1 of such depletion, the allotment for such farm next computed
2 after determination of such depletion shall be reduced by
3 reducing the allotment for the immediately preceding year
4 by 7 per centum; and (iv) for purposes of clauses (i) and
5 (ii) if the Secretary determines that the reduction in the
6 allotment does not provide fair and equitable treatment to
7 producers on farms following special crop-rotation practices,
8 he may modify such reduction in the allotment as he deter-
9 mines to be necessary to provide fair and equitable treatment
10 to such producers.”

11 (6) Subsection (d) of section 334 is repealed.

12 (7) Subsection (g) of section 334 is amended by
13 striking out the language “except as prescribed in the
14 provisos to the first sentence of subsections (a) and (b),
15 respectively, of this section” in the first sentence.

16 (8) Section 335 is amended by adding at the end
17 thereof the following: “This section shall not be applicable
18 to the crops planted for harvest in 1966 and subsequent
19 years.”

20 (9) Section 339 (b) is amended (1) by striking out
21 “1964 and 1965 crops of wheat” and substituting “crops of
22 wheat planted for harvest in the calendar years 1964 through
23 1969”; and (2) by striking out of the third sentence “20
24 per centum of the farm acreage allotment” and “fifteen

1 acres” and substituting “50 per centum of the farm acreage
2 allotment” and “twenty-five acres”, respectively.

3 (10) Section 339 (e) is amended to read as follows:
4 “The Secretary may permit all or any part of the diverted
5 acreage to be devoted to the production of guar, sesame,
6 safflower, sunflower, castor beans, mustard seed, and flax,
7 if he determines that such production of the commodity is
8 needed to provide an adequate supply, is not likely to
9 increase the cost of the price-support program and will not
10 adversely affect farm income, subject to the condition that
11 payment with respect to diverted acreage devoted to any
12 such crop shall be at a rate determined by the Secretary to
13 be fair and reasonable taking into consideration the use of
14 such acreage for the production of such crops: *Provided*, That
15 in no event shall the payment exceed one-half the rate which
16 otherwise would be applicable if such acreage were devoted
17 to conservation uses.”

18 SEC. 502. Effective only with respect to the crops of
19 wheat planted for harvest in the calendar years 1966 through
20 1969, and the marketing years for such crops, section 379b
21 is amended to read as follows:

22 “SEC. 379b. A wheat marketing allocation program as
23 provided in this subtitle shall be in effect for the marketing
24 years for the crops planted for harvest in the calendar years

1 1966 through 1969. Whenever a wheat marketing alloca-
2 tion program is in effect for any marketing year the Secre-
3 tary shall determine (1) the wheat marketing allocation for
4 such year which shall be (i) the amount of wheat he esti-
5 mates will be used during such year for food products for
6 consumption in the United States, but the amount of wheat
7 included in the marketing allocation for food products for con-
8 sumption in the United States shall not be less than five hun-
9 dred million bushels, and (ii) that portion of the amount of
10 wheat which he estimates will be exported in the form of
11 wheat or products thereof during the marketing year on
12 which the Secretary determines that marketing certificates
13 shall be issued to producers in order to achieve, insofar
14 as practicable, the price and income objectives of this
15 subtitle, and (2) the national allocation percentage for
16 such year which shall be the percentage which the
17 national marketing allocation is of the amount of the
18 national marketing quota for wheat that would be
19 determined for such marketing year if a national marketing
20 quota for such year had been proclaimed less the expected
21 production on the acreage allotments for farms which will
22 not be in compliance with the requirements of the program.
23 The cost of any domestic marketing certificates issued to
24 producers in excess of the number of certificates acquired by
25 processors as a result of the application of the five hundred

1 million bushel minimum or an overestimate of the amount
2 of wheat used during such year for food products for con-
3 sumption in the United States shall be borne by Commodity
4 Credit Corporation. Each farm shall receive a wheat mar-
5 keting allocation for such marketing year equal to the num-
6 ber of bushels obtained by multiplying the number of acres
7 in the farm acreage allotment for wheat by the projected
8 farm yield, and multiplying the resulting number of bushels
9 by the national allocation percentage.”

10 SEC. 503. Effective beginning with the 1970 crop, sec-
11 tion 379b is amended by striking out “normal yield of wheat
12 for the farm as determined by the Secretary” and substituting
13 “projected farm yield”.

14 SEC. 504. (a) Effective upon enactment of this Act, sec-
15 tion 379d (b) is amended by striking out the third sentence
16 and substituting the following: “The Secretary may exempt
17 from the requirements of this subsection wheat exported for
18 donation abroad and other noncommercial exports of wheat,
19 wheat processed for use on the farm where grown, wheat pro-
20 duced by a State or agency thereof and processed for use by
21 the State or agency thereof, wheat processed for donation, and
22 wheat processed for uses determined by the Secretary to be
23 noncommercial. Such exemptions may be made applicable
24 with respect to any wheat processed or exported beginning
25 July 1, 1964. There shall be exempt from the requirements

1 of this subsection beverage distilled from wheat prior to
2 July 1, 1964. A beverage distilled from wheat after July 1,
3 1964, shall be deemed to be removed for sale or consumption
4 at the time it is placed in barrels for aging except that upon
5 the giving of a bond as prescribed by the Secretary, the pur-
6 chase of and payment for such marketing certificates as may
7 be required may be deferred until such beverage is bottled for
8 sale. Wheat shipped to a Canadian port for storage in bond,
9 or storage under a similar arrangement, and subsequent ex-
10 portation, shall be deemed to have been exported for pur-
11 poses of this subsection when it is exported from the Ca-
12 nadian port.”

13 (b) Section 379 (d) is amended by inserting after the
14 word “flour” the following: “(excluding flour clears not used
15 for human consumption as determined by the Secretary) ”.

16 This subsection shall be effective on or after sixty days
17 following enactment of this Act, unless the Secretary shall
18 by regulation designate an earlier effective date within such
19 sixty-day period.

20 (c) Section 379d (b) is amended by adding at the end
21 thereof the following: “Whenever the face value per bushel
22 of domestic marketing certificates for a marketing year is
23 different from the face value of domestic marketing certifi-
24 cates for the preceding marketing year, the Secretary may
25 require marketing certificates issued for the preceding mar-

1 keting year to be acquired to cover all wheat processed into
2 food products during such preceding marketing year even
3 though the food product may be marketed or removed for
4 sale or consumption after the end of the marketing year.”

5 (d) Section 379g is amended by inserting “(a)” after
6 “SEC. 379g” and adding a new subsection (b) as follows:

7 “(b) Whenever the face value per bushel of domestic
8 marketing certificates for a marketing year is substantially
9 different from the face value of domestic marketing certifi-
10 cates for the preceding marketing year, the Secretary is
11 authorized to take such action as he determines necessary to
12 facilitate the transition between marketing years. Notwith-
13 standing any other provision of this subtitle, such authority
14 shall include, but shall not be limited to, the authority to sell
15 certificates to persons engaged in the processing of wheat
16 into food products covering such quantities of wheat, at such
17 prices, and under such terms and conditions as the Secretary
18 may by regulation provide. Any such certificate shall be
19 issued by Commodity Credit Corporation.”

20 SEC. 505. The Agricultural Act of 1964 is amended as
21 follows:

22 (1) Amendment (7) of section 202 is amended by
23 striking out “1964 and 1965” and substituting “the calendar
24 years 1964 through 1969”.

25 (2) Amendment (13) of section 202 is amended by

1 striking out “only with respect to the crop planted for har-
2 vest in the calendar year 1965” and substituting “with re-
3 spect to the crops planted for harvest in the calendar years
4 1965 through 1969”.

5 (3) Section 204 is amended by striking out “1964 and
6 1965” and substituting “1964 through 1969”.

7 SEC. 506. Effective beginning with the 1966 crop, sec-
8 tion 107 of the Agricultural Act of 1949, as amended, is
9 amended to read as follows:

10 “SEC. 107. Notwithstanding the provisions of section
11 101 of this Act, beginning with the 1966 crop—

12 “(1) Whenever a wheat marketing allocation pro-
13 gram is in effect, (a) price support for wheat accom-
14 panied by domestic certificates shall be at 100 per
15 centum of the parity price or as near thereto as the Sec-
16 retary determines practicable, but in no event less than
17 \$2.50 per bushel, (b) price support for wheat accom-
18 panied by export certificates shall be at such level, not
19 in excess of the parity price therefor, as the Secretary
20 determines, and (c) price support for wheat not accom-
21 panied by marketing certificates shall be at such level,
22 not in excess of the parity price therefor, as the Secre-
23 tary determines appropriate, taking into consideration
24 competitive world prices of wheat, the feeding value of

1 wheat in relation to feed grains, and the level at which
2 price support is made available for feed grains.

3 “(2) Whenever a wheat marketing allocation pro-
4 gram is not in effect, the level of price support for any
5 crop of wheat for which a national marketing quota is
6 not proclaimed or for which marketing quotas have been
7 disapproved by producers shall be as provided in section
8 101.

9 “(3) Price support shall be made available only to
10 cooperators.

11 “(4) A ‘cooperator’ with respect to any crop of
12 wheat produced on a farm shall be a producer who (i)
13 does not knowingly exceed (A) the farm acreage allot-
14 ment for wheat on the farm or (B) except as the Sec-
15 retary may by regulation prescribe, the farm acreage
16 allotment for wheat on any other farm on which the pro-
17 ducer shares in the production of wheat, and (ii) com-
18 plies with the land-use requirements of section 339 of
19 the Agricultural Adjustment Act of 1938, as amended,
20 to the extent prescribed by the Secretary. No producer
21 shall be deemed to have exceeded a farm acreage allot-
22 ment for wheat if the entire amount of the farm market-
23 ing excess is delivered to the Secretary or stored in ac-
24 cordance with applicable regulations to avoid or post-

1 pone payment of the penalty, but the producer shall not
2 be eligible to receive price support on such marketing
3 excess. No producer shall be deemed to have exceeded
4 a farm acreage allotment for wheat if the production on
5 the acreage in excess of the farm acreage allotment is
6 stored pursuant to the provisions of section 379c (b) , but
7 the producer shall not be eligible to receive price sup-
8 port on the wheat so stored.”

9 SEC. 507. Effective beginning with the crop planted for
10 harvest in the calendar year 1966, section 339 (a) of the
11 Agricultural Adjustment Act of 1938, as amended, is
12 amended by inserting after the words “national acreage allot-
13 ment”, wherever they appear, the following: “(less an
14 acreage equal to the increased acreage allotted for 1965
15 pursuant to section 335) ”.

16 SEC. 508. Effective beginning with crop planted for
17 harvest in the calendar year 1966, section 379c (a) of the
18 Agricultural Adjustment Act of 1938, as amended, is
19 amended by amending the third sentence to read as follows:
20 “The Secretary shall provide for the sharing of wheat
21 marketing certificates among producers on the farm on a
22 fair and equitable basis.”, and by adding at the end thereof
23 the following: “An acreage on the farm not planted to wheat
24 because of drought, flood, or other natural disaster shall be

1 deemed to be an actual acreage of wheat planted for harvest
2 for purposes of this subsection.”

3 SEC. 509. Section 301 (b) of the Agricultural Adjust-
4 ment Act of 1938, as amended, is amended as follows:

5 (1) Paragraph (8) is amended by inserting “(A)”
6 after “(8)” and adding the following new subparagraph:

7 “(B) ‘Projected national yield’ as applied to any crop
8 of wheat shall be determined on the basis of the national
9 yield per harvested acre of the commodity during each of
10 the five calendar years immediately preceding the year in
11 which such projected national yield is determined, adjusted
12 for abnormal weather conditions affecting such yield, for
13 trends in yields and for any significant changes in produc-
14 tion practices.”

15 (2) Paragraph (13) is amended by adding the follow-
16 ing new subparagraphs:

17 “(J) ‘Projected county yield’ for any crop of wheat
18 shall be determined on the basis of the yield per harvested
19 acre of such crop in the county during each of the five cal-
20 endar years immediately preceding the year in which such
21 projected county yield is determined, adjusted for abnormal
22 weather conditions affecting such yield, for trends in yields
23 and for any significant changes in production practices.

24 “(K) ‘Projected farm yield’ for any crop of wheat shall

1 be determined on the basis of the yield per harvested acre of
2 such crop, on the farm during each of the three calendar
3 years immediately preceding the year in which such pro-
4 jected farm yield is determined, adjusted for abnormal
5 weather conditions affecting such yield, for trends in yields
6 and for any significant changes in production practices, but
7 in no event shall such projected farm yield be less than the
8 normal yield for such farm as provided in subparagraph (E)
9 of this paragraph.”

10 SEC. 510. (a) Section 379c (b) of the Agricultural Ad-
11 justment Act of 1938, as amended, is amended, effective be-
12 ginning with the 1966 crop, by striking out of the fifth
13 sentence the words “normal yield of wheat per acre estab-
14 lished for the farm” and substituting therefor the words
15 “projected farm yield”.

16 (b) Section 379i of the Agricultural Adjustment Act of
17 1938, as amended, is amended, effective as of the effective
18 date of the original enactment of the section, by inserting in
19 subsections (a) and (b) after the word “who”, wherever it
20 appears, the word “knowingly”.

21 SEC. 511. (a) Effective beginning with the crop planted
22 for harvest in 1966, paragraph (9) of section 301 (b) of the
23 Agricultural Adjustment Act of 1938, as amended, is
24 amended to read as follows:

25 “(9) ‘Normal production’ as applied to any number of

1 acres of rice or cotton means the normal yield for the farm
2 times such number of acres and for wheat means the pro-
3 jected farm yield times such number of acres.”

4 (b) Public Law 74, Seventy-seventh Congress, as
5 amended, is amended by changing the words “normal yield
6 of wheat per acre established for the farm” in paragraph (1)
7 to the words “projected farm yield”.

8 SEC. 512. In establishing terms and conditions for per-
9 mitting wheat to be planted in lieu of oats and rye, the
10 Secretary may take into account the number of feed units
11 per acre of wheat in relation to the number of feed units per
12 acre of oats and rye.

13 SEC. 513. Section 379c of the Agricultural Adjustment
14 Act of 1938, as amended, is amended, effective beginning
15 with the crop planted for harvest in the calendar year 1964,
16 by adding the following subsection:

17 “(e) Notwithstanding any other provision of law, the
18 amount of certificates issued with respect to any farm may be
19 adjusted by the Secretary for failure of a producer to comply
20 fully with the terms and conditions of the program formu-
21 lated under this subtitle.”

22 SEC. 514. Section 379e of the Agricultural Adjustment
23 Act of 1938, as amended, is amended by adding at the end
24 thereof the following:

25 “Notwithstanding any other provision of this Act, Com-

1 modity Credit Corporation shall sell marketing certificates
2 for the marketing years for the 1966 through the 1969
3 wheat crops to persons engaged in the processing of food
4 products at the face value thereof less any amount by which
5 price support for wheat accompanied by domestic certificates
6 exceeds \$2 per bushel.”

7 TITLE VI—CROPLAND ADJUSTMENT

8 SEC. 601. The Soil Bank Act of 1956, as amended,
9 is hereby repealed, except that it shall remain in effect with
10 respect to contracts entered into prior to such repeal.

11 SEC. 602. (a) Notwithstanding any other provision of
12 law, for the purpose of reducing the costs of farm programs,
13 assisting farmers in turning their land to nonagricultural uses,
14 promoting the development and conservation of the Nation’s
15 soil, water, forest, wildlife, and recreational resources, estab-
16 lishing, protecting, and conserving open spaces and natural
17 beauty, the Secretary of Agriculture is authorized to for-
18 mulate and carry out a program during the calendar years
19 1965 through 1969 under which agreements would be en-
20 tered into with producers as hereinafter provided for periods
21 of not less than five nor more than ten years. No agreement
22 shall be entered into under this section concerning land with
23 respect to which the ownership has changed in the five-year
24 period preceding the first year of the agreement period unless
25 the new ownership was acquired by will or succession as a

1 result of the death of the previous owner: *Provided*, That
2 this provision shall not be construed to prohibit the continua-
3 tion of an agreement by a new owner after an agreement has
4 once been entered into under this section.

5 (b) The producer shall agree (1) to divert from pro-
6 duction all of one or more crops designated by the Secretary;
7 (2) to carry out on a specifically designated acreage of land
8 on the farm regularly used in the production of crops (here-
9 inafter called "designated acreage") and maintain for the
10 agreement period practices or uses which will conserve soil,
11 water, or forest resources, or establish or protect or conserve
12 open spaces, natural beauty, wildlife or recreational re-
13 sources, or prevent air or water pollution, in such manner as
14 the Secretary may prescribe; (3) to maintain in conserving
15 crops or uses or allow to remain idle throughout the agree-
16 ment period the acreage normally devoted to such crops or
17 uses; (4) not to harvest any crop from or graze the des-
18 ignated acreage during the agreement period, unless the Sec-
19 retary, after certification by the Governor of the State in
20 which such acreage is situated of the need for grazing or
21 harvesting of such acreage, determines that it is necessary
22 to permit grazing or harvesting in order to alleviate damage,
23 hardship, or suffering caused by severe drought, flood, or
24 other natural disaster, and consents to such grazing or har-
25 vesting subject to an appropriate reduction in the rate of

1 payment; and (5) to such additional terms and conditions
2 as the Secretary determines are desirable to effectuate the
3 purposes of the program, including such measures as the
4 Secretary may deem appropriate to keep the designated
5 acreage free from erosion, insects, weeds, and rodents.

6 (c) Under such agreements the Secretary shall (1)
7 bear such part of the average cost (including labor) for the
8 county or area in which the farm is situated of establishing
9 and maintaining authorized practices or uses on the design-
10 nated acreage as the Secretary determines to be necessary
11 to effectuate the purposes of the program, but not to exceed
12 the average rate for comparable practices or uses under the
13 agricultural conservation program; and (2) make an annual
14 adjustment payment to the producer for the period of the
15 agreement at such rate or rates as the Secretary determines
16 to be fair and reasonable in consideration of the obligations
17 undertaken by the producers. The rate or rates of annual
18 adjustment payments as determined hereunder shall be in-
19 creased by an amount determined by the Secretary to be
20 appropriate in relation to the benefit to the general public
21 of the use of the designated acreage if the producer further
22 agrees to permit, without other compensation, access to such
23 acreage by the general public, during the agreement period,
24 for hunting, trapping, fishing, and hiking, subject to appli-
25 cable State and Federal regulations. The Secretary may

1 make the annual adjustment payments for all years of the
2 agreement period upon approval of the agreement or in such
3 installments as he determines to be desirable: *Provided*, That
4 for each year any annual adjustment payment is made in
5 advance of performance, the annual adjustment payment
6 shall be reduced by 5 per centum. The Secretary may pro-
7 vide for adjusting any payment on account of failure to
8 comply with the terms and conditions of the program.

9 (d) The Secretary shall, unless he determines that such
10 action will be inconsistent with the effective administration
11 of the program, use an advertising and bid procedure in de-
12 termining the lands in any area to be covered by agreements.
13 The total acreage placed under agreement in any county
14 shall be limited to a percentage of the total eligible acreage
15 in such county which the Secretary determines would not
16 adversely affect the economy of the county.

17 (e) The annual adjustment payment shall not exceed
18 50 per centum of the estimated value, as determined by the
19 Secretary, on the basis of prices in effect at the time the
20 agreement is entered into, of the crops or types of crops
21 which might otherwise be grown. The estimated value may
22 be established by the Secretary on a county, area, or individ-
23 ual farm basis as he deems appropriate.

24 (f) The Secretary may terminate any agreement with
25 a producer by mutual agreement with the producer if the

1 Secretary determines that such termination would be in the
2 public interest, and may agree to such modification of agree-
3 ments as he may determine to be desirable to carry out the
4 purposes of the program or facilitate its administration.

5 (g) The Secretary may, to the extent he deems it de-
6 sirable, provide by appropriate regulations for preservation
7 of cropland, crop acreage, and allotment history applicable
8 to acreage diverted from the production of crops under the
9 program for the purpose of any Federal program under
10 which such history is used as a basis for an allotment or other
11 limitation or for participation in such program.

12 (h) In carrying out the program, the Secretary shall
13 utilize the services of local, county, and State committees
14 established under section 8 of the Soil Conservation and
15 Domestic Allotment Act, as amended.

16 (i) For the purpose of obtaining an increase in the
17 permanent retirement of cropland to noncrop uses the Sec-
18 retary may, notwithstanding any other provision of law,
19 transfer funds appropriated for carrying out the program
20 to any other Federal agency or to States or local govern-
21 ment agencies for use in acquiring cropland for the preser-
22 vation of open spaces, natural beauty, the development of
23 wildlife or recreational facilities, or the prevention of air or
24 water pollution under terms and conditions consistent with
25 and at costs not greater than those under agreements entered

1 into with producers, provided the Secretary determines that
2 the purposes of the program will be accomplished by such
3 action.

4 (j) The Secretary also is authorized to share the cost
5 with State and local governmental agencies in the estab-
6 lishment of practices or uses which will establish, protect, and
7 conserve open spaces, natural beauty, wildlife or recreational
8 resources, or prevent air or water pollution under terms and
9 conditions and at costs consistent with those under agree-
10 ments entered into with producers, provided the Secretary
11 determines that the purposes of the program will be accom-
12 plished by such action.

13 (k) The Secretary is authorized to utilize the facilities,
14 services, authorities, and funds of the Commodity Credit
15 Corporation in discharging his functions and responsibilities
16 under this program, including payment of costs of adminis-
17 tration. There are hereby authorized to be appropriated
18 such sums as may be necessary to carry out the program,
19 including such amounts as may be required to make pay-
20 ments to the Corporation for its actual costs incurred or
21 to be incurred under this program.

22 (l) In case any producer who is entitled to any pay-
23 ment or compensation dies, becomes incompetent, or dis-
24 appears before receiving such payment or compensation, or
25 is succeeded by another who renders or completes the re-

1 quired performance, the payment or compensation shall,
2 without regard to any other provisions of law, be made as
3 the Secretary may determine to be fair and reasonable in
4 all the circumstances and so provide by regulations.

5 (m) The Secretary shall provide adequate safeguards
6 to protect the interests of tenants and sharecroppers, includ-
7 ing provision of sharing, on a fair and equitable basis, in pay-
8 ments or compensation under this program.

9 (n) The Secretary shall prescribe such regulations as
10 he determines necessary to carry out the provisions of this
11 title.

12 TITLE VII—MISCELLANEOUS

13 SEC. 701. Section 374 (a) of the Agricultural Adjust-
14 ment Act of 1938, as amended, is amended to read as
15 follows:

16 “(a) The Secretary shall provide for ascertaining, by
17 measurement the acreage of peanuts and tobacco and by
18 measurement or otherwise, the acreage of wheat, cotton,
19 rice, or any other agricultural commodity or land use on
20 farms for which the ascertainment of such acreage is neces-
21 sary to determine compliance under any program adminis-
22 tered by the Secretary. Insofar as practicable, the acreage
23 of the commodity and land use shall be ascertained prior to
24 harvest, and, if any acreage so ascertained is not in com-

1 pliance with the requirements of the program, the Secretary,
2 under such terms and conditions as he prescribes, may pro-
3 vide a reasonable time for the adjustment of the acreage of
4 the commodity or land use to the requirements of the
5 program.”

6 SEC. 702. Section 374 (c) of the Agricultural Adjust-
7 ment Act of 1938, as amended, is amended by deleting the
8 first sentence thereof.

9 SEC. 703. Subsection (a) of section 316 of the Agri-
10 cultural Adjustment Act of 1938, as amended, is amended
11 (i) by striking out of the first sentence thereof “1962, 1963,
12 1964, and 1965,” and inserting “1962 through 1969” and
13 (ii) by striking out of the last sentence thereof “1964 or
14 1965” and inserting “a 1964 through 1969”.

15 SEC. 704. The Act of August 13, 1957 (Public Law
16 85-127), as amended, is amended by striking out the last
17 sentence thereof.

18 SEC. 705. The Secretary of Agriculture in coop-
19 eration with the House Committee on Agriculture and the
20 Senate Committee on Agriculture and Forestry shall make
21 a study of the parity income position of farmers and report
22 thereon to the Congress not later than June 30, 1966. The
23 report shall include a recommended formula for determining
24 parity income.

1 SEC. 706. Notwithstanding any other provision of law,
2 the Secretary, upon the request of any agency of any State
3 charged with the administration of the public lands of the
4 State, may permit the transfer of acreage allotments or feed
5 grain bases together with relevant production histories which
6 have been determined pursuant to the Agricultural Adjust-
7 ment Act of 1938, as amended, or section 16 of the Soil
8 Conservation and Domestic Allotment Act, as amended,
9 from any farm composed of public lands to any other farm
10 or farms in the same county composed of public lands: *Pro-*
11 *vided*, That as a condition for the transfer of any allotment
12 or base an acreage equal to or greater than the allotment or
13 base transferred prior to adjustment, if any, shall be devoted
14 to and maintained in permanent vegetative cover on the
15 farm from which the transfer is made. The Secretary shall
16 prescribe regulations which he deems necessary for the
17 administration of this section, which may provide for adjust-
18 ing downward the size of the allotment or base transferred
19 if the farm to which the allotment or base is transferred
20 normally has a higher yield per acre for the commodity for
21 which the allotment or base is determined, for reasonable
22 limitations on the size of the resulting allotments and bases
23 on farms to which transfers are made, taking into account
24 the size of the allotments and bases on farms of similar size

- 1 in the community, and for retransferring allotments or bases
- 2 and relevant histories if the conditions of the transfer are
- 3 not fulfilled.

Passed the House of Representatives August 19, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

AUGUST 20, 1965

Read twice and referred to the Committee on
Agriculture and Forestry

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued August 26, 1965
For actions of August 25, 1965
89th-1st, No. 157

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HIGHLIGHTS: Senate debated bill to exempt REA coops from FPC jurisdiction. Sen. Carlson submitted amendment to farm bill to prohibit CCC sales of wheat at less than 110 percent of price support. Sen. Young, N. Dak., defended price supports for farm commodities. House passed appropriations continuing resolution. Rep. Nelsen urged action on sugar legislation. Rep. Cooley stated blanketing of farm labor under minimum wage would result in rise in food and fiber costs. Rep. Findley inserted list of Sugar Act payments.

SENATE

1. ELECTRIFICATION. Began debate on S. 1459, to amend the Federal Power Act so as to exempt from the regulatory jurisdiction of the Federal Power Commission any cooperative or nonprofit membership organization which is financed by the Rural Electrification Administration. pp. 20931-4

Received from REA a report "on the approval of a loan to the Big Rivers Rural Electric Cooperative Corp., of Henderson, Ky., in the amount of \$3,352,000, for the financing of certain transmission facilities." p. 20250

2. DEFENSE DEPARTMENT APPROPRIATION BILL. By a vote of 89 to 0, passed with amendments this bill, H. R. 9221 (pp. 20896-927). Conferees were appointed (p. 20927). House conferees have not yet been appointed. This bill includes a provision authorizing the Defense Department to purchase milk for enlisted personnel which was previously furnished without charge by CCC.
3. MARKETING ORDERS; FRUITS AND VEGETABLES. The Agriculture and Forestry Committee reported without amendment S. 2092, to permit marketing orders applicable to celery, sweet corn, limes, or avocados to provide for paid advertising (S.Rept. 648). p. 20851
4. WHEAT. Sen. Carlson submitted an amendment intended to be proposed to the farm bill when it is considered to provide that CCC shall not make any sales of wheat at less than 110 percent of current support prices plus reasonable carrying charges. p. 20856
5. PERSONNEL. The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 8469, with amendment, to provide certain increases in civil service retirement annuities, and S. 2393, to authorize additional GS-16, GS-17, and GS-18 positions for use in agencies or functions created or substantially expanded after June 30, 1965. p. D842
Passed without amendment S. 1474, to create a bipartisan commission to study the laws limiting political activity by Federal employees. pp. 20876-7
Sen. Neuberger inserted her testimony in support of passage of H. R. 8469, to provide certain increases in civil service retirement annuities. pp. 20887-8
6. LANDS. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendments S. 1674, to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources. p. D841
The "Daily Digest" states that the Interior and Insular Affairs Committee "reconsidered its action of August 12 when it approved for reporting with amendment S. 897, to establish the St. Croix National Scenic Waterway, Minn. and Wis., adopted additional amendments thereto, and ordered the bill reported to the Senate." p. D841
The "Daily Digest" states that the Interior and Insular Affairs Committee "considered, but took no final action on, S. 1446, reserving certain public lands for the establishment of a National Wild Rivers System." p. D842
7. FARM PRICES. Sen. Young, N. Dak., defended farm price support programs as a means of supporting farm income and inserted two items in support of his position. pp. 20886-7
8. PATENTS. Sen. Neuberger inserted Sen. Long's testimony before the Subcommittee on Patents, Trademarks, and Copyrights expressing his views on Government patent policy. pp. 20888-90
9. FARM LABOR. Sen. Smith criticized Secretary of Labor Wirtz' decision that it would not be necessary to import Canadian workers to harvest the apple crop in Maine this year. p. 20894
10. FOREIGN AID. Sen. Javits inserted and commended a summary of the report of the Advisory Committee on Private Enterprise in Foreign Aid. pp. 20927-31
11. DISASTER RELIEF. Received from the President "a report on actions taken by five Federal departments and agencies to assist in the recovery of Alaska following the earthquake of March 27, 1964, for the 6-month period ended June 30, 1965." p. 20850

gress is a matter entirely within the discretion of the President of the United States or his designee.

9. Upon your assent to this proposal the University of Texas will proceed with its implementation.

Respectfully,

THE UNIVERSITY OF TEXAS,
HARRY RANSOM,
Chancellor.
W. W. HEATH,
Chairman, Board of Regents.

EXHIBIT B

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., August 17, 1965.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: It is an honor and pleasure on behalf of the United States to accept, in accordance with the powers vested in me by the Federal Property and Administrative Services Act of 1949, as amended, your generous offer of certain papers and other historical materials contained in your letter of August 13, 1965, under the conditions and restrictions which you have prescribed therein.

This priceless gift to the Nation and scholars of this generation and those that follow will forever enrich our history and culture. I know that the memory of your selfless gesture will live eternally in the hearts of a grateful people.

Respectfully yours,

(S) LAWSON B. KNOTT, Jr.
LAWSON B. KNOTT, Jr.,
Administrator.

THE WHITE HOUSE,
Washington, D.C., August 13, 1965.

DEAR MR. KNOTT: It has long been my belief that the papers and other historical materials of a President constitute a vital part of our Nation's historical heritage and that such papers and materials should be permanently preserved and made available for scholarly research and study.

You are aware that it also has long been my intention to donate my papers and other historical materials to the United States for ultimate deposit in a Presidential Archival Depository as provided by section 507(f) of the Federal Property and Administrative Services Act of 1949, as amended (44 U.S.C. 397(f)).

You are also aware that the University of Texas has advised me of its intent, consistent with its educational purposes and objectives, to provide, at its expense, an appropriate site within the principal academic environs of the University of Texas, and to construct thereon a suitable Presidential Archival Depository to be known as the Lyndon Baines Johnson Library and to turn over, dedicate, and make available the space and facilities so to be constructed, furnished, and equipped by it, to the United States for its use in perpetuity pursuant to the aforesaid authority, as a Presidential Archival Depository for the housing, preservation, display, and appropriate use of my Presidential papers and other historical materials.

I have indicated to the University of Texas and publicly announced my approval of its proposal.

Accordingly, and in furtherance of the public purposes which will thus be served, I hereby offer as a gift to the United States for the purpose of ultimate deposit in the said Presidential Library my Presidential and other papers, documents, historical materials, mementos, objects of art, and other memorabilia, including books, motion pictures, still pictures, and sound recordings, all herein-after called materials belonging to me or in my possession which relate to my life and work, subject to the condition that these materials be accepted, preserved, and made available by the United States under the following conditions:

1. As an initial step the materials shall

be accepted by the United States for deposit in the National Archives pursuant to section 507(e) of the act, supra, until the completion and acceptance by the United States of the above-described Lyndon Baines Johnson Library at which time the materials shall be deposited in that Library and administered in accordance with the pertinent provisions of the act, supra.

2. It is my purpose to make the papers and other historical materials referred to herein available for the purpose of study and research as soon as possible and to the fullest possible extent. However, since the President of the United States is the recipient of many confidences from others, and since the inviolability of such confidence is essential to the functioning of the constitutional office of the Presidency, it will be necessary to withhold from public scrutiny certain papers and classes of papers for varying periods of time. Therefore:

(a) I hereby reserve the right to restrict the use and availability of any materials to which this agreement applies, irrespective of the time when such materials may have been, or may be delivered to the United States, for such time as I, in my sole discretion, may from time to time specify, and such restrictions shall be adhered to and observed in all respects for as long a period of time as may be specified or until such restrictions are revoked or terminated by me or persons authorized to act on my behalf with respect thereto, or as otherwise provided in this agreement.

(b) During my tenure as President of the United States any materials accepted and deposited pursuant to paragraph 1, above, shall be made available by display or otherwise for public inspection, research, or other use subject to restrictions (1) imposed at time of delivery of possession thereof to the United States; (2) as otherwise provided for in this agreement; and (3) as may be imposed by me or by persons authorized to act for me with regard thereto.

(c) Archival personnel of the United States designated by the Administrator of General Services shall review the materials to which this agreement applies and any materials in the following categories shall be placed under seal of restriction:

(i) Materials containing statements which may in any manner be used to injure, embarrass, or harass any person, or materials which may in any manner be prejudicial to the conduct of foreign relations of the United States of America, or materials containing statements made by or to me in confidence.

(ii) Defense information that has been security classified pursuant to law or Executive order: *Provided*, That such information may be declassified or otherwise made available in accordance with the procedures established by law or Executive order governing availability of security classified information.

(iii) Papers relating to my family or private affairs, and papers relating to the families or private affairs of persons who have had correspondence with me.

(d) All material restricted pursuant to this agreement shall be reviewed from time to time by archival personnel designated by the Administrator of General Services, the restrictions removed therefrom, and the materials made available for public display and research use as soon as the passage of time or other circumstances no longer require such materials being kept under restriction: *Provided*, That restrictions imposed on materials by paragraph 2(b), above, shall not be removed during my tenure as President without my personal approval or the approval of persons authorized to act for me with respect thereto.

(e) Materials placed under restriction pursuant to this agreement shall not be made available to anyone or their contents divulged to anyone (including public offi-

cials) except (1) persons authorized under the terms of paragraph 5 below and (2) archival personnel designated by the Administrator of General Services when performing essential archival work processes on such papers under the supervision of the Administrator of General Services: *Provided*, That access to security-classified materials shall be made available in accordance with the procedures established by law or Executive orders.

3. All unrestricted materials shall upon (a) deposit in the Lyndon Baines Johnson Library and (b) expiration of my tenure as President, be made available for public display and inspection, and made equally accessible to all competent private persons interested in using the materials for study and scholarly research purposes subject to regulations issued by the Administrator of General Services governing the use of materials in the Library: *Provided*, that such materials may be made available for display, inspection and research purposes prior to the expiration of my tenure as President with my personal approval.

4. This offer shall not and is not intended to apply to or embrace such items which I determine to be of special or private interest to the personal and family affairs of myself, my wife, and children, and I specifically reserve the right to retain title and possession and to regain possession of any such items that I, in my sole discretion, may determine to be excluded from the purview of this gift, irrespective of the fact that such items may have been theretofore delivered to the United States.

5. All materials transferred to the United States pursuant to this agreement shall be freely accessible to me or my wife or to persons designated by me in writing, subject to the provisions of applicable law and Executive orders governing availability of security-classified information.

6. Subject to restrictions imposed by or pursuant to this agreement, all materials transferred to the United States pursuant to this agreement shall be subject to the right of the Administrator in his discretion (a) to make temporary loans thereof to such persons, organizations, or institutions as he shall determine; (b) to dispose by sale, exchange, or otherwise of any such papers or historical materials which he may determine to have no permanent value or historical interest or to be surplus to the needs of the Lyndon Baines Johnson Library; and (c) to remove from the said Library any and all of such papers or historical materials if he shall deem it necessary to preserve them from threatened destruction.

7. I hereby assign to the United States all my literary property rights in all papers transferred to the United States in accordance with the terms and conditions of this agreement, except that I reserve to myself and my heirs (a) the right to make any use of such papers and (b) all literary property rights in any works that I have written or may hereafter write for publication, including the right to license the publication of such material.

8. The offer of the materials to which this agreement is applicable is conditioned upon the United States, acting by and through the Administrator of General Services, entering into an agreement with the University of Texas to utilize as a Presidential Archival Depository the space and facilities to be constructed, furnished, equipped, and made available by it for such use without transfer of title, and upon agreement by the United States to maintain and operate the Library at all times thereafter as a Presidential Archival Depository for the preservation of such materials, in accordance with the provisions of section 507(f)(1) (44 U.S.C. 397(f)(1)) of the Federal Property and Administrative Services Act of 1949, as amended.

Sincerely,

LYNDON B. JOHNSON.

FOOD AND AGRICULTURE ACT OF 1965—AMENDMENT

AMENDMENT NO. 422

Mr. CARLSON. Mr. President, I submit an amendment to the farm bill for printing, and ask that it lie at the Vice President's desk until the farm bill is before the Senate for consideration.

The amendment provides that, notwithstanding any other provisions of law, the Commodity Credit Corporation shall not make any sales of wheat at less than 110 percent of current support prices plus reasonable carrying charges; and for the renumbering of subsequent sections accordingly.

It is my intention to discuss the amendment more fully at a future date, but I wish to have it printed and lie at the desk so that other Senators who are interested may consider the proposal, which I think is important to the Nation's agriculture and the wheat farmers of the Nation.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the desk, as requested.

CHANGE OF REFERENCE

Mr. GORE. Mr. President, I am advised that the chairman of the Committee on Armed Services, the Senator from Georgia [Mr. RUSSELL] has no objection to the re-referral of Senate bill 1391, to authorize the Secretary of the Army to convey certain lands at the old Hickory lock and dam, Cumberland River, Tennessee, to the Tennessee Society for Crippled Children and Adults, Inc.

I ask unanimous consent that the bill be re-referred to the Public Works Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—CHANGE OF CONFERE

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the Senator from South Dakota [Mr. MUNDT] be excused as a conferee on the bill (H.R. 6927) to establish a Department of Housing and Urban Development, and for other purposes, and that the Senator from New York [Mr. JAVITS] be appointed in his stead.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT ON LYTLE AND WARM CREEKS, SAN BERNARDINO, CALIF. (S. DOC. NO. 53)

Mr. McNAMARA. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated June 2, 1965, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of the report on Lytle and Warm Creeks, San Bernardino, Calif., requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document,

with an illustration, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSOR OF BILL

Mr. BARTLETT. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Maryland [Mr. TYDINGS] may be added as cosponsor to S. 1927, to preserve as an area of historic interest certain structures and lands comprising the Washington Navy Yard, at the next printing of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Robert Nelson Chaffin, of Wyoming, to be U.S. attorney, district of Wyoming, term of 4 years—reappointment.

George A. Bukovatz, of Montana, to be U.S. marshal, district of Montana, term of 4 years—reappointment.

Keith Hardie, of Wisconsin, to be U.S. marshal, western district of Wisconsin, term of 4 years—reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, September 1, 1965, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 10586) making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 10586) making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

THE SANTO DOMINGO HEARINGS BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

Mr. SYMINGTON. Mr. President, it is with regret that I note the altercation between the chairman of the Senate Foreign Relations Committee and committee members as to actions incident to U.S. intervention in the Dominican Republic.

I agree with the actions of the administration in this regard, and so stated at the time of these hearings. But I most certainly do not agree with a statement made on the floor yesterday that "a methodical effort was made to prove that the United States was wrongly within that Republic."

The document compiled by the committee staff was not one analyzing the developments in Santo Domingo, or one based on an effort to pass judgment on administration policy.

It was meant to be a working paper with which committee members could outline the subject matter to be discussed during the hearings.

Questions were asked of administration witnesses about the purported facts in the articles in question. From the answers received I reached my conclusion that the action of the administration was proper and sound under the circumstances.

I do not believe that my friend the Senator from Connecticut would have criticized this development in the manner he did if he had been present. For example, a key witness for the administration was just as critical of some of the newspapermen praised in the statement of the Senator from Connecticut as he was about some of the newspapermen criticized by the Senator.

The Senator from Arkansas mentioned in the RECORD that he was considering resigning as chairman of the committee. In my opinion that would be a most unfortunate occurrence. The chairman is a man of character and integrity; and he has a profound background of long experience in the field of foreign relations. I am proud to serve with him on this committee. We do not always agree, but that is characteristic of the nature of our Government.

I am equally proud that he is not either a rubber stamp for the executive branch, or for any particular group on this committee. He makes a sincere effort to develop the truth; and the way the world is today, the truth would seem of utmost importance.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my friend from Kansas.

Mr. CARLSON. I associate myself with the remarks that the distinguished Senator from Missouri has made regarding our distinguished and most outstanding chairman of the Senate Foreign Relations Committee. I cannot think of anything that in my opinion would set back our international programs and policies more than even the suggestion or thought that our chairman might consider resigning from that great committee.

It has been a pleasure to be associated with the Senator from Arkansas [Mr. FULBRIGHT]. He is not only able, but also a great student. As a member of the committee, I cannot think of anyone more able or better qualified. He possesses qualities that make it a joy to work with him.

I appreciate very much the comments that the Senator from Missouri has made.

DIGEST of Congressional Proceedings

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HIGHLIGHTS: See page 5

SENATE

1. ELECTRIFICATION. By a vote of 86 to 5, passed as reported S. 1459, to amend the Federal Power Act so as to exempt from the regulatory jurisdiction of the Federal Power Commission any cooperative or nonprofit membership organization which is financed by the Rural Electrification Administration. pp. 21204-20
2. RECREATION. Passed with amendments S. 936, to provide for the establishment of the Sleeping Bear Dunes National Lakeshore, Mich. pp. 21257-62

3. COTTON. Sen. Kuchel urged increased production of "high quality" cotton as a means of competing more effectively with synthetic fibers, and supported a provision in the proposed farm bill which would permit the production of cotton "for the world price of about 21 cents a pound without acreage restrictions." pp. 21192-3
4. WHEAT. Sen. Mondale inserted a statement by Sen. McGovern critical of the requirement that 50 percent of commercial sales of wheat to Russia and Eastern European countries must be transported in American ships and stating that this requirement was causing these countries to buy wheat from countries other than the U. S. pp. 21200-01
Sen. Carlson inserted a joint statement from the Kan. Farm Bureau and the Kan. Farmers Union urging enactment of legislation to provide that CCC wheat stocks could not be sold at less than 125 percent of the loan rate plus carrying charges. p. 21178
5. MARKETING ORDERS; EGGS. Sen. Case submitted (for himself and Sen. McGovern) an amendment intended to be proposed to the farm bill to authorize a marketing order for eggs; to Agriculture and Forestry Committee. pp. 21175-6
6. FOREIGN AID. Sen. Dodd reviewed his reasons for voting against the foreign aid authorization bill, stating that one reason was that the bill "does not contain the effective bar against aid to Indonesia and Egypt." pp. 21243-4
Sen. Javits urged increased economic aid to South Vietnam and reviewed the success of such aid presently being given them, including assistance for increased food production and crop yields. pp. 21252-5
7. BALANCE OF PAYMENTS. Sen. Proxmire inserted several items analyzing the balance of payments situation. pp. 21179-85
8. ADJOURNED until Mon., Aug. 30. p. 21272

HOUSE

9. SUPPLEMENTAL APPROPRIATIONS. Received from the President supplemental appropriation estimates for the fiscal year 1966 (H. Doc. 278) which included proposals for this Department as follows: p. 21160

Soil Conservation Service:

Watershed Protection (river basin surveys in the North Atlantic region)	\$ 171,000
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Consumer and Marketing Service:

Consumer Protective, Marketing and Regulatory Programs:

(To meet an expanding workload for meat inspection)	\$ 2,600,000
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SEPTEMBER 18, 1964.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I refer to my letter to you of July 22, 1963, on the subject of omnibus decorations legislation, to which I have received no reply.

Since that time, the House of Representatives and the Senate have passed H.R. 12342, the latter with amendments which are now pending in the House. I am hopeful that the bill be enacted.

However, since the law (5 U.S.C. 115a) required that every odd-numbered Congress be furnished with a list of retired U.S. Government personnel for which the Department is holding decorations, it appears that the Congress will be confronted with this issue again in the 89th Congress.

When, pursuant to this law, the Department submits its list to the 89th Congress, I would very much appreciate having its comments on the amendment I suggested on page 12125 of the CONGRESSIONAL RECORD of July 18, 1963, a copy of which is enclosed.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

JULY 22, 1963.

Hon. DEAN RUSK,
Secretary of State, Department of State,
Washington, D.C.

DEAR MR. SECRETARY: There are enclosed tearsheets from the CONGRESSIONAL RECORD of July 18 containing my remarks upon the introduction (by request) of the Department's draft omnibus decorations bill.

I would very much appreciate having the Department's comments on the marked paragraphs in this statement.

Sincerely yours,

J. W. FULBRIGHT, Chairman.

AUTHORIZATION FOR CERTAIN RETIRED AND OTHER PERSONNEL TO ACCEPT AND WEAR DECORATIONS, ETC.

MR. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize certain retired and other personnel of the U.S. Government to accept and wear decorations, presents, and other things tendered them by certain foreign governments.

The proposed legislation has been requested by the Secretary of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

In fact, I would be glad to give serious consideration to an amendment which would authorize the Secretary of State on a permanent basis to deliver these awards, decorations, and other things, to the recipients after he has received certification of their retired status. I cannot imagine that the authors of our Constitution in providing that "No person holding any office of profit or trust" shall accept a present or a decoration from a foreign government without the consent of Congress, would have considered every single person, receiving a few dollars a year in retirement benefits, to be holding an "office of profit or trust" under the Constitution. It seems absurd that former Government officials and employees, who do not draw pensions, can get their decorations automatically, while those who do draw pensions, no matter how small, have to have congressional authorization. It does not appear to me that that is the point with which the Founding Fathers were concerned. In order to stimulate discussion of this approach I ask unanimous consent that there

be printed in the RECORD at this point a draft of an amendment intended to be proposed by me.

There being no objection, the amendment intended to be proposed by Mr. FULBRIGHT was ordered to be printed in the RECORD, as follows:

"SUGGESTED AMENDMENT"

"SEC. 3. The act of January 31, 1881 (5 U.S.C. 115), is amended as follows:

"Strike out the comma and insert a period after the word 'person,' and add the following sentence:

"Such present, decoration, or other thing shall be delivered by the Department of State to the individual upon receipt of a certified affidavit stating that he has retired from the office of profit or trust held by him under the Constitution of the United States."'"

MR. FULBRIGHT. Mr. President, I also ask unanimous consent that the letter from the Secretary of State, dated May 28, 1963, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 28, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate.

DEAR MR. VICE PRESIDENT: There is submitted herewith a draft bill to authorize certain retired and other personnel of the U.S. Government to accept and wear decorations, presents, and other things tendered them by certain foreign governments. This bill embodies and brings up to date the draft bill submitted to you on February 6, 1962, but not enacted.

The Department is required by the act of January 31, 1881 (5 U.S.C. 115), to hold in its custody awards for active and retired personnel of the U.S. Government. The growing accumulation of awards which the Department is required to hold presents an ever increasing problem and related workload to the Department, other Government agencies, and the Congress and results in thousands of inquiries from interested parties. Although the draft bill contains only the names of those persons who have retired within the last 5 years, it will provide substantial relief if favorable consideration is given by the Congress.

From the standpoint of the foreign relations of the United States, the Department perceives no objection to the acceptance by these persons of the decorations, presents, and other things tendered by the foreign countries indicated in the attached bill and recommends that it be given favorable consideration.

A similar communication has been forwarded to the Speaker of the House of Representatives.

The Bureau of the Budget has advised the Department that there is no objection from the standpoint of the administration's program to the submission of this proposal to the Congress for its consideration.

Sincerely yours,

DEAN RUSK.

MR. FULBRIGHT. Mr. President, I should like to point out that while the bill is very bulky, 133 pages of the 145 pages are devoted to the Military Establishment, 3 to the Department of State, and only three-quarters of a page to Members of Congress. The recognition by foreign governments is certainly not devoted to the civilian branches of the Government.

THE VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1910) to authorize certain retired and other personnel of the U.S. Government to accept and wear decorations, presents, and other things tendered them by certain foreign governments, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, and referred to the Committee on Foreign Relations.

FOOD AND AGRICULTURE ACT OF 1965—AMENDMENT

ESTABLISHMENT OF AN EGG MARKETING ORDER—AMENDMENT NO. 423

MR. CASE. Mr. President, I offer for myself and Mr. McGOVERN an amendment to H.R. 9811, the proposed Food and Agriculture Act of 1965.

Our amendment would amend the Agriculture Marketing Act of 1937 to authorize an egg marketing order. Such an order would provide for allocation among table egg producers of the estimated human egg consumption during specified periods.

The procedure to be followed is similar to that used for other marketing orders. The Secretary of Agriculture would publish a proposed order and hearings would be held, followed by a referendum among eligible producers. A majority would have to approve before the order would go into effect. Thus our proposed amendment is only enabling legislation.

Among other things, the purpose of such an order would be to (1) improve the economic conditions of producers of eggs for human consumption, and (2) insure the public interest by keeping egg production widespread, in the hands of many people instead of a few. Prevention of monopoly is the best insurance against exploitation of the public. Dispersion is also a protection against disaster to our total egg supply.

There are approximately 150 Federal and State marketing orders in effect today covering a wide variety of commodities including fruits, vegetables, tree nuts, cranberries and milk among others. I am told that a survey conducted among those directing these orders indicates that they have resulted in developing order out of chaos, eliminating cutthroat activities in most cases and stabilizing the price structure of the commodities involved.

Egg producers in my State are in dire straits. In 1957 gross cash receipts from egg production amounted to \$92.2 million. In 1958, it dropped to \$90.6 million, a loss of \$1.6 million. In 1959, the cash receipts dropped to \$72.6 million, a drastic reduction of \$18.0 million. And in 1964, preliminary estimates indicate that cash receipts from eggs will amount to only \$49.7 million. This represents a total drop in an 8-year period of \$42.5 million.

As of January 1, 1959, the number of farmers keeping poultry flocks in my State was 9,200. As of January 1, 1965, this figure was reduced to 3,900. Thus 5,200 farmers who kept poultry flocks went completely out of business. A similar decline has occurred in a number of other States. If we do not do something about this trend, we shall soon find a handful of giants in complete control of egg production, a situation in nobody's interest.

There are no subsidies provided in this legislation. But there is provision for purchases of eggs and egg products on the open market by the Secretary of Agriculture in times of oversupply. Under our amendment these purchases and administration of this program will be financed by the producers themselves

through an assessment at either the hatchery, producer, or egg processor level.

This amendment would give egg producers the right, enjoyed by so many other farmers, to decide whether they want a marketing order. I emphasize again that the costs of this program would be borne entirely by the egg farmers themselves.

I ask that the amendment be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 423) was referred to the Committee on Agriculture and Forestry, as follows:

On page 54, line 12, insert the following new title:

"TITLE VII, EGGS

"Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

"(1) Subsection 8c(2)(B) is amended (a) by inserting 'and laying chickens, which, when used in this title, shall be deemed to include baby chicks and pullets produced, acquired, or handled for the production of table eggs,' after 'turkeys' where it first appears; (b) by inserting 'and chicken table and hatching eggs other than chicken hatching eggs used for producing poultry meat,' after 'turkey hatching eggs' where it first appears; (c) by inserting 'except as to liquid, frozen, or dried chicken eggs' after the phrase 'including canned or frozen commodities or products' where it first appears; and (d) by striking the word 'and' where it first appears in (ii) and inserting a comma in lieu thereof, and striking the period in (ii) and inserting in lieu thereof the following: ', and (iii) chicken table eggs, chicken hatching eggs, laying chicken hens, baby chicks and pullets may be treated as individual commodities under individual orders or may be combined in any combination under one order and treated as a single commodity for the purpose of regulating the quantity of chicken table eggs to be marketed in order to improve the economic conditions of chicken table egg producers.'

"(2) By adding a new subsection as follows:

"8c(20) LAYING CHICKENS AND CHICKEN TABLE EGGS: TERM AND CONDITIONS OF ORDERS

"In the case of laying chickens and chicken table eggs, orders issued pursuant to this subsection shall contain one or more of the following terms and conditions and (except as provided in subsection 6, other than paragraphs (D), (E), (F), (G), (H), and (I) thereof, and subsection 7 of this section) no others; for the purpose of this section the hatching of baby chicks shall be considered handling of hatching eggs; and further for the purpose of this subsection it is determined that by reason of the widespread production and handling of laying chickens and chicken table and hatching eggs throughout the United States and the competition in marketing of such commodities throughout the United States all handling of such commodities is in interstate commerce or directly burdens or affects such commerce in laying chickens and chicken table and hatching eggs in the United States.

"(A) Limiting or providing methods for the limitation of the total quantity of laying chickens which may be marketed or otherwise handled during any specified period or periods by any or all handlers thereof.

"(B) Distinguishing, or providing methods for distinguishing, the different persons in the chicken table egg industry involved in the production and marketing of such eggs, including, but not restricted to, defining and classifying such groups of persons and providing for such different terms and conditions applicable to persons within each such class and to such classes as is determined to be appropriate to effectuate the purpose of the program in an equitable manner. Producer status may be limited to persons having a flock of laying chickens above a certain size where the Secretary determines, after hearing, that the regulation of the marketing of eggs from smaller flocks is not necessary to effectuate the policy of the Act and would impose an unwarranted burden upon the owners thereof or unnecessarily burden the administration of the order.

"(C) Determining, or providing methods for determining, the desirable quantity of chicken table eggs to be produced and marketed during any period and the desirable quantity of laying chickens necessary to allow the production and marketing of such desirable quantity of chicken eggs as determined. Table eggs shall be defined as edible eggs for human consumption other than those used for hatching.

"(D) Allotting, or providing methods for allotting, the total quantity of laying chickens or chicken table eggs available or to be available during a specified period, or periods, equitably among chicken table egg producers upon the basis of the total quantity of laying chickens acquired by each producer, or chicken table eggs marketed by each producer, during such prior period which the Secretary determined to be representative, and the size, production and age of the laying chicks in his current flock(s), due allowance being made in the provisions of the order for abnormal conditions, hardship cases and producers who did not produce chicken table eggs during all or part of the representative period; such apportionment shall constitute an allotment fixed for the producer within the meaning of subsection 8a(5) of this title.

"(E) When allotments for producers with respect to laying chickens or chicken table eggs have been established under this section, the order may contain provisions allotting or providing a method for allotting the quantity which any handler may handle so that any and all handlers will be limited as to each producer to the quantity allotted to each producer, and such allotment shall constitute an allotment fixed for each handler within the meaning of subsection 8a(5) of this title.

"(F) Providing for a market diversion program for chicken table eggs and/or laying chickens which may include open market purchases of chicken table eggs, and liquid, frozen, or dried eggs, of any grade, size, type, or quality, when the Secretary determines that the then current or the estimated price for chicken table eggs is such that the average return therefor to producers would not be reasonable in view of the prices of feed, the available supplies of feeds, economic conditions affecting table egg production, and other economic conditions which affect market supply and demand for chicken table eggs in the production area, and providing for the distribution of the net return derived from the disposition of such egg or laying chickens to the market diversion fund and any amount determined by the Secretary to be in excess of such funds requirements to be equitably distributed among those contributing to such fund.

"(G) Establishing or providing for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of eggs or egg products; the expense of such projects to be paid

from funds collected pursuant to the marketing orders.

"(H) Subsections 8c(8), 8c(9), the first section of 8c(10), 8c(11), 8c(12), 8c(13) (B), and 8c(19) of this title shall not be applicable to orders issued under this subsection.

"(I) The authorization for provisions contained in subsection 8c(7)(D) shall be applicable to orders containing provisions under this subsection with the same force and effect as though this subsection was specified therein.'

"(3) By adding a new subsection 8c(21) as follows:

"8c(21) PRODUCER REFERENDUM FOR APPROVING ORDERS APPLICABLE TO LAYING CHICKENS AND CHICKEN TABLE EGGS

"The Secretary shall conduct a referendum among chicken table egg producers for the purpose of ascertaining whether the issuance of an order under subsection 8c(20) is approved or favored by them. For the purpose of such a referendum a chicken table egg producer shall be a person (a) who provides the labor for caring for a flock of egg producing hens, which flock would be subject to an order, if approved, and (b) who has an interest in the resulting egg production, and (c) who owns or leases and operates the producing facilities resulting in production of chicken table eggs subject to the order. No order shall be issued under this section unless approved by more than one-half of the eligible producers voting in said referendum. The terms and conditions of the proposed order shall be described by the Secretary in the ballot used in the conduct of the referendum. The nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto.'

"(4) The prefatory language of subsection 608c(6) is amended by inserting after the words 'other than' as they first appear, the words 'laying chickens, chicken table eggs, and'.

"(5) Subsection 10(b)(2)(ii) is amended by adding at the end thereof the following: 'Orders issued under subsection 8c(20) may provide for such assessments to be paid only by handlers of baby chicks, laying chickens, or chicken table eggs and, further, if the order provides for a market diversion program for chicken table eggs, the Secretary may determine the amount of funds necessary for such a market diversion program and this amount shall be assessed upon all handlers of chicken table eggs and each such handler shall pay his pro rata share of this amount to the authority or agency established to administer the order: *Provided, however,* That the Secretary may, after hearing, establish such quantities of chicken table eggs handled as he determines necessary to be exempt from both the administrative and market diversion assessments to avoid unnecessary burdens on handlers and, further, that the Secretary, after hearing, may determine at what point in the handling of baby chicks, chickens for laying, or chicken table eggs such assessments shall attach.'

"Renumber the present title VII, 'title VIII'."

CONVEYANCE OF CERTAIN REAL PROPERTY TO THE BOARD OF PUBLIC INSTRUCTION, OKALOOSA COUNTY, FLA.—AMENDMENT

AMENDMENT NO. 424

Mr. MORSE proposed an amendment, to the bill (H.R. 4905) to provide for the conveyance of certain real property of the Federal Government to the Board of Public Instruction, Okaloosa County, Fla., which was ordered to be printed.

Sept. 2, 1965

11. FARM PROGRAM. Rep. Purcell commended and inserted the second in a series of articles by Don Paarlberg, "Great Myths of Agricultural Policy--Myth No. 2: We No Longer Need Farm Programs." p. 22040-41
12. WATERSHEDS. Received from the Budget Bureau a letter changing the watershed project for Rock Creek Okla., from not more than 4,000 acre-feet of total capacity to a total capacity in excess of 4,000 acre-feet. p. 22042
13. LEGISLATIVE PROGRAM. Rep. Albert announced that on Tues., Sept. 7, the military construction authorization bill will be considered under suspension of the rules, and on Wed. and the balance of the week the foreign assistance appropriation bill be considered. p. 21997

SENATE

14. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee "by a vote of 12 to 3, ordered favorably reported with an amendment in the nature of a substitute bill H. R. 9811, proposed Food and Agriculture Act of 1965. It was announced that the bill would be reported to the Senate early next week." p. D878
15. EDUCATION. Passed, 79 to 3, H. R. 9567, the proposed Higher Education Act of 1965 (pp. 21809-48, 21851-84, 21906-7). Conferees were appointed (House conferees have not yet been appointed) (pp. 21884; 21906-7). This bill authorizes the Commissioner of Education, HEW, to make grants to States to aid colleges and universities in assisting in the solution of rural and urban community problems, including housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use, to improve college and university library services, to provide scholarships and aid needy students, etc. It provides for the appointment by the President of a National Advisory Council of Extension and Continuing Education, including a representative from this Department, to review the administration and effectiveness of all federally supported extension and continuing education programs and to make recommendations, including recommendations for changes in the provisions of Federal laws relating to extension and continuing education activities, to the Secretary of HEW and to the President.
16. CLAIMS. Passed without amendment H. R. 5024, to provide that the authority for the settlement of claims of up to \$6,500 by the Government for damage to or loss of personal property incident to the service of an employee shall be exercised subject to uniform policies prescribed by the President. This bill will now be sent to the President. pp. 21797-9
17. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 10586, making supplemental appropriations for the Departments of Labor and HEW (S. Rept. 680). This bill was made the unfinished business (p. 21950).
18. LANDS. The Interior and Insular Affairs Committee reported with amendment S. 1674, to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources from certain public lands (S. Rept. 683). p. 21885
19. RECREATION. The Interior and Insular Affairs Committee reported with amendments S. 897, to provide for the establishment of the St. Croix National Scenic Waterway, Minn. and Wisc. (S. Rept. 679). p. 21885
Received a Mich. Legislature resolution urging enactment of legislation to authorize establishment of the proposed Sleeping Bear Dunes National Recreation Area, Mich. p. 21909

20. SURPLUS FOODS. Sen. Symington urged "substitution in the AID program of our increasing food and fiber surpluses in place of our decreasing dollars." p. 21946
Sen. Mondale inserted an article discussing the merits of Sen. McGovern's proposal "to make possible a much larger, more effective American program to use our agricultural bounty to feed the hungry of the world." pp. 21936-7
21. MONOPOLIES. Sen. Dirksen inserted a speech by the chairman of the board of the Standard Oil Co. of N. J., "A Businessman's View of Some Antitrust Problems." pp. 21900-03
22. CONSUMERS. Sen. Hart spoke in support of proposed truth in packaging legislation and inserted an article in support of his position. p. 21908
23. FOREIGN AID. Sen. Brewster spoke in support of the foreign aid program and inserted an editorial supporting the program. p. 21920
Sen. Yarborough inserted an editorial defending the foreign aid program. p. 21935
24. RESEARCH; EDUCATION. Sen. Ribicoff referred to "increasing concern with the impact of Federal research and development funds on higher education," and inserted an article analyzing the problem, "The Support of Science in the United States." pp. 21923-5
25. FORESTRY. Sen. Neuberger inserted an article from American Forests magazine describing "the rewards of and opportunities for becoming a forester." pp. 21932-5
26. TOBACCO. Sen. Neuberger expressed concern over the effects of cigarette smoking and inserted an article, "U. S. Cites Fatality Rise: Lung Disease Deaths Linked to Cigarettes." pp. 21945-6
27. WATER POLLUTION. Sen. Ribicoff inserted a table listing State allotments under the water pollution control program. p. 21947
28. DATA PROCESSING. Received from GAO a report "on management of automatic data processing facilities in the Federal Government." p. 21884
29. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the Labor-HEW supplemental appropriation bill will be considered next Tues., followed by consideration of several other bills, including the farm bill. p. 21881

ITEMS IN APPENDIX

30. SUGAR. Rep. Findley inserted an article which suggests that "In order to relieve pressure on Washington officials and Congressmen..." "it would seem worthwhile for the United States to declare guidelines which will be followed in establishing foreign country sugar quotas." p. A4966
31. WILDERNESS; RECREATION. Rep. Wilson inserted the third in a series of articles on the proposed recreational development of the San Geronio wilderness area. pp. A4972-3
32. WATER RESOURCES. Rep. McCormack inserted a letter from the president of the National Rivers and Harbors Congress describing contributions that organization has made in the field of water resources. pp. A4973-4
33. BUDGET; EXPENDITURES. Rep. Younger inserted an article by Budget Bureau

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